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84 No. B

EXTERNAL AFFAIRS DEPARTMENT.

SUBJECT: FRANCE
Relations with USA Great

CABLEGRAM.

MOST

I.44764

NEW

SC19 SOS XBO603CDE

DECRYPTED FROM:

DATED: 9th November, 1942

1823

RECD: 10th November, 1942

SECRETARY OF STATE FOR
DOMINION AFFAIRS,
LONDON.

SECRET

D.452.

MOST IMMEDIATE.

SECRET.

The Vichy Government have now informed
United States Government that their action severs diplomatic
relations between the two Governments.

Copy - War Cabinet
War Advisory Council
Defence
External Affairs

10/11/42

France combattante
with Fred & Marie

FRANCE COMBATTANTE
DELEGATION DU COMITE NATIONAL FRANÇAIS
AUSTRALIE

No 13/171
AB/ES

29th September 1942



Dr. Wynes,
Department of External Affairs,
CANBERRA. A.C.T

Dear Sir,

In the Sydney Morning Herald of this morning, I read a small paragraph which I think might have escaped your notice:

SOVIET AND FIGHTING FRANCE

Moscow, Sept 28th. It is officially announced that the Soviet Union has recognised the French National Committee - the directing organ of fighting France - as alone qualified to organise participation in the war of French nationals and territories and to represent French interests with the Government of the U.S.S.R.

Yours faithfully,
Le Délégué en Australie du Comité National Français

Bienas

COPY JR.

*French relations
with USA*

EXTRACT FROM THE NEW YORK TIMES.

"The State Department has never had a more delicate task than the one of maintaining a relationship with the Frenchmen at Vichy and at the same time encouraging the other Frenchmen who are fighting on our side against the Axis. Events will determine whether the task has been at any time worth while. Its practical aspects were presented with great skill yesterday in the memorandum with which the Department accompanied the appointment of Admiral Harold R. Stark and Brigadier General Charles H. Bolte to consult with General De Gaulle's Free French National Committee in London. It conforms perfectly with the declaration he (General De Gaulle) issued on June 24. Just as clearly it implies that we know that the Laval regime does not represent the desires of the peoples of France and is now easily and even willingly swayed by Nazi coercion. Practically the State Department has to balance the advantage of a channel into Vichy with the disadvantages of permitting the traitor Laval to play the Nazi game in the remaining outlying Vichy possessions. The men in the street can't hate the Nazis or love Free France more than President Roosevelt does and our foreign policy is the expression of what the President thinks is wise and right. But the hearts of our people are with the Free French. The Free French in the unoccupied zone who endure Vichy because they can do nothing else, the French in the occupied zone who are ready to rise against the oppressor when the great day comes, the Free French of De Gaulle, their leader under Vichy death sentences, their property confiscated, their relatives penalized who are fighting and dying for their great dream of the fourth republic. It will be a glorious day when it is no longer necessary to recognize any French but Free French."

.....

See

66.
D298

15.6.42



5.

FRANCE.

Vichy Ministry for Foreign Affairs have been warning the United States Charge D'Affaires that Germans will insist on withdrawal of United States observers from North Africa unless the United States Government indicate readiness to resume supplies. The United States Government have agreed to resumption and as a first step one ship will sail in each direction.

S.S.
W 41
22.5.42



4. United States and Vichy.

The Martinique negotiations appear to be going satisfactorily thanks to the firm line adopted by Washington. There is also reason to believe that Laval or Germany behind him has been particularly reluctant to pay the price of resisting United States demands, namely the breaking-off of relations between Vichy and Washington.

Remains

file

France U.S.A.
PRIME MINISTER'S DEPARTMENT

I.18148

CABLEGRAM

SC122/XB03957

Dated 7.5.42
Revd. 8.5.42



DECYPHER FROM

SECRETARY OF STATE
FOR DOMINION AFFAIRS
LONDON

Circular D242. Secret Following for the Prime Minister
Begins. Free French

Free French have protested to us because they were not consulted beforehand about the Madagascar operation, nor asked to participate. They urge that National Committee should take over local administration as soon as possible and that they should be consulted about the problem of other French possessions in the Indian Ocean and the Red Sea.

War Cabinet War Advisory Council Defence E.A.

8.5.42

File

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I.17960 -388/38742



DECYPHER FROM:

Sent: 6th May, 1942 2230.
Recd: 7th May, 1942.

The Secretary of State for Dominion Affairs,
L O N D O N.

Circular D.239. SECRET. Following for the Prime Minister.

1. Greece. It has been apparent that King of the Hellenes and present Greek Government lacked general support in Greece because the King was blamed for supporting the unpopular Metaxas regime, present Greek Prime Minister's intentions were not fully representative. The position of King and Government has improved since the visit to the Middle East, where they have been warmly received, particularly in Army circles and since Canellopoulos (young Nationalist) joined the Government, thus making it more representative. The Prime Minister has now issued declaration that present Government will conduct Greek war effort until victory as trustees of the Greek people, who will themselves determine conditions after the war.
2. France. On 5th May, Laval protested strongly to United States Charge D'Affaires, both against our action in Madagascar and against the United States communication.
3. My telegram 29th April, D.225. Prior to our action in Madagascar, United States Secretary of State informed His Majesty's Ambassador that he was not now keen on proposed formal statement about United States relations with Vichy. Instead, he suggested that we should persuade Free French to recognise object for which United States Government maintain relations, namely, to see that armistice terms are reasonably fulfilled.
4. My telegram 27th April, D.220. Free French have been pressing United States Government for official recognition. Before defining their attitude United States Government are seeking clarification on certain points, particularly on prospects of General de Gaulle joining forces with Leftist movements of resistance inside France. United States Secretary of State says that United States Government remain prepared to recognise General de Gaulle as leader of military resistance, but he hesitates to extend this recognition at present in any political direction which might imply recognition of Free French as a French Government.

Copy - War Cabinet
War Advisory Council
Defence
External Affairs

7.5.42.

Prime Minister's Department

CABLEGRAM

HB/SMCM

I.17483

CE 132/291

DECYPHER FROM
SECRETARY OF STATE
FOR DOMINION AFFAIRS
LONDON

Dated 1st. May 1942
9.p.m.
Rcvd. 2nd. May 1942



Circular D 233 Secret

My telegram of 29th, April D.225

*France
USA*

In a farewell interview with the United States Ambassador on 27th. April, Laval declared that in spite of insulting references to himself in the United States Press his Government would not make any unfriendly gesture towards United States. He thought that ~~he~~ a serious mistake had been made by the United States in entering the war, as a German victory would be preferable to Bolshevism in Europe which would inevitably result if Russia and Great Britain beat Germany.

On the other hand, Laval attacked Great Britain vehemently as being responsible for France's present plight and said that if Britain or the United States troops tried to land in metropolitan France or French North Africa he would resist most strongly. He would also try to regain Free French territories if he only possessed the means.

He professed that his Government would take no steps to provide military assistance to Germany but he responded evasively about supplies to Rommel via French North Africa. Leahy reported that he was convinced that Laval would go as far as he could to collaborate with Germany and to bring about defeat of what he called Bolsheviks.

War Cabinet
War Advisory Council
Defence
E.A.
3.5.42

Extract from

Sec. State

D 217

24.4.42

France

France U.S.A.

4. Structure of new administration together with Laval's speech indicate that France without securing in return any evident concession is now committed to even closer collaboration with Germany. It is not clear yet what form this may take. While the Navy may be expected to follow Darlan rather than Laval the Minister of War is a pro Axis creature of Laval. It seems likely that the latter will first tighten his grip on administrative machinery then seek to improve internal security to develop French production and to direct French all to the benefit of Germany.

5. Present indications are that French Government wish to maintain relations with United States of America. As Laval in his speech made hostile references to Great Britain and to Russia, but maintained silence about United States, we are urging the United States Government to make it clear that they are solidly identified with us and that Laval is mistaken if he is contemplating possibility of ingratiating himself with them.

6. In French Morocco change of Government at Vichy has caused nervousness though French Officials are doing their best to interpret it favourably particularly in contacts with United States officials whose influence they appear anxious to retain as a counter to German Armistice Commission.

SEC/SMCM.

CABLEGRAM.

I. 15695.

CE 98.

Sent on 21st April, 1942.

10.35. p.m.

Received 22nd April, 1942.

DECYPHER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

Circular telegram D.214.

Following for Prime Minister.

French West Indies.

In note dated April 1st, Vichy Government informed United States Government of the decision reported in my telegram of 1/4 No. D.182, and referred to United States reply summarised in my telegram of 26/3 D.170, paragraph 4.. Vichy Government made explicit reservations regarding the liberty of action which United States Government wished to retain and which might not be compatible with existing United States commitments. (my telegram of 28/12 D.777), nor with the assurances given by President Roosevelt on December 14th 1941 to the effect that United States continued to recognise the agreement relative to the status quo of the French Colonies in the Western Hemisphere.

The Vichy Government did not expressly admit that His Majesty's Ambassador at Washington thought that in practice exception would be made in favour of United States military aircraft and warships which would continue if necessary as in the past to carry out patrols in French Territory in the Western Hemisphere.

Admiral Robert subsequently confirmed to the United States Consul at Martinique that no German submarine would in future be permitted to enter any port "within the territorial jurisdiction of Martinique".

War Cabinet.
War Advisory Council.
Defence.
E. A.

TELEPRINT MELBNE.

22.4.42.

CABLEGRAM

I.14691
CE 13/39DECRYPTED FROM
SECRETARY OF STATE
FOR DOMINION AFFAIRS
LONDONDated 13th. April 1942
3.50p.m.
Rev'd. 14th April 1942Circular D.202 Secret

Following for Prime Minister

France

1. The State Department have explained that apart from decision to resume supplies for North Africa the United States Government did not accede to Vichy Government's request for assurances on points mentioned in My telegram 25th. March D 161, last sentence of paragraph 2. The United States Government accepted no fresh commitments towards Vichy or in respect of French possessions overseas; as regards the latter while respecting French Sovereignty United States Government maintain their intention to deal on a de facto basis with whatever authorities actually exercise control in the different territories.

Copy :- War Cabinet
War Advisory Council
Defence
External Affairs

14.4.42



PRIME MINISTER'S DEPARTMENT.

PJC/MD

CABLEGRAM.

I.14565.

CE 36

Dated 11th April, 1942.

4.50 p.m.

Received 12th April, 1942.

DECYPHER FROM -

Secretary of State for Dominion Affairs,
L O N D O N.

Circular D.200. Following for Prime Minister. Begins.
France.

1. My telegram 4th April D. No. 189. United States Government
have decided to allow two French ships to sail for North Africa.
Simultaneously two ships are to sail from North Africa with mater-
ials for United States.

CABLEGRAM.

SECRET

TH/JT

DECYPHER FROM -
SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

CE 5 I.13881
DATED 6th April, 1942.
3.20
RECEIVED 7th April, 1942.



CIRCULAR D.190.

SECRET.

Following for the Prime Minister. Begins.

PORTUGAL.

1. My telegram of 25th March D.167. Portuguese Ambassador at Madrid has informed His Majesty's Ambassador at Madrid that on Dr. Salazar's instructions he has refuted to General Franco the German propaganda that we were associated with subversive movements in Portugal.

FRANCE.

2. My telegram of 3rd April D.188, paragraph 3. On 3rd April United States Ambassador at Vichy made representations regarding RICHELIEU to Admiral Darlan. Darlan replied that the RICHELIEU was not going to leave Dakar that smaller vessels sometimes move from Dakar to Casablanca for repairs but that there was no intention of moving any local vessel to continental France or the Mediterranean. Ends.

Copy - War Cabinet
War Advisory Council
Defence
External Affairs

7.4.42

The Secretary,
Department of External Affairs.

Referred.

Secretary
Secretary.

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

Sent on 4th April 1942

Received 5th April 1942

DECYPHER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

SECRET

CIRCULAR D.189. SECRET. Following
for the Prime Minister.

FRANCE.

1. My Circular telegram March 30th D.175.
The State Department appear still in doubt as to how much
more fuel oil Vichy consider themselves entitled to ship to
North Africa. Nevertheless, they are inclined to allow 2
ships to sail from the United States to North Africa in the
hope that this gesture might strengthen any anti-collaborationist
influence at Vichy. We are trying to dissuade United States
Government from such a course until the question of the Richelieu
is cleared up.

At the same time we are making it clear
that we cannot agree to the despatch of Vichy's alleged outstanding
contract of 1,580 tons of oil. We are also trying to ascertain
to what extent, as a result of their recent exchanges with
Vichy, the United States Government now regard themselves as
committed to a policy respecting the French interests, territorial
and otherwise.

War Cabinet.
War Advisory Council.
E. A.
Defence.

6.4.42.

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

DECYPHER FROM -
SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

I.13527
CE 69/137
DATED 3rd April, 1942. 7 APR 1942
9.00 p.m.
RECEIVED 4th April, 1942.



CIRCULAR D.188.

MOST SECRET.

**MOST
SECRET**

Following for the Prime Minister.

FRANCE.

1. My telegram April 1st, D.182. The French Government have explained that the decision regarding the Western hemisphere does not affect their declaration prohibiting British Warships from approaching within 20 sea miles of the coasts of French overseas possessions and countries under French protectorate or mandate.
2. My telegram March 30th, D.175. According to the United States Consulate General at Casablanca, the Vichy Government have cancelled the order that British women and children and invalids should be sent to the interior, but 200 men of military age have already moved and about 200 more are awaiting transfer.
3. We have received a report that the Vichy battle-ship RICHELIEU is to leave Dakar for France April 3rd. We consider that every effort should be made to stop it. We are informing the United States Government that we would take a very serious view of any attempt to sail this ship or the JEAN BART into the Mediterranean and are asking them to obtain categorical assurances that neither of these ships will be moved. So far as we know, the Vichy Government gave no satisfaction concerning the movement of the DUNKERQUE before the United States Government agreed to resume supplies for North Africa.
4. My telegram March 23rd, D.162. The United States Government have stated that in the absence of further evidence of its Anti-British activities, they are not, in the present circumstances, prepared to take forceful action to control radio Guadeloupe.

RUSSIA.

5. My telegram April 1st, D.181. We are doing our best to reassure Stalin in regard to the attitude and policy of Sweden and Turkey.

Copy - War Cabinet
War Advisory Council
Defence
External Affairs

5.4.42

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

TMCF/BMCM

I. 14047.

CE 71/145.

Sent on 8th April, 1942.

1. p.m.

Received 8th April, 1942.

DECYPHER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.



CIRCULAR D.185. SECRET.
the Prime Minister.

Following for

FRANCE.

1. Some days ago, the United States Government received reports suggesting that Laval was to be reinstated in return for the release of some French prisoners, and for the return of the French Government, except for Defence Departments, to Paris. On March 30th, the U.S. Ambassador, on instructions from Washington, told Petain, that, if he yielded to these demands, the U.S. Government would take a very serious view; also that, in his latter view, the appointment of Laval to the Cabinet would probably result in a breach in Franco-U. S. diplomatic relations. Petain replied in non-committal terms, but indicated that he was unwilling to reach a decision quickly.

War Cabinet.
War. Advisory Council.
Defence.
E. A.

8.4.42.

CABLEGRAM.



JW/SMCM.

France Mch.

I. 13186

Cable 170/51.

Sent on 1st April, 1942.

7.30. p.m.

Received 2nd April, 1942.

DECYPHER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

SECRET

CIRCULAR D.182. SECRET.

Following for the Prime Minister.

FRANCE.

My Circular D.170 of 27th March paragraph 4. The French Government have informed us that from 1st April no military aircraft or warships of any belligerent power will be allowed under any pretext to enter territories, ports, or territorial waters of French possessions in America.

EGYPT.

2. My Circular D.152 of 19th March, paragraph 2. The Vichy Minister has left and Alimsher retired to the country where he is being watched. Relations between the Prime Minister and the King remain strained.

War Cabinet,
War Advisory Council.
Defence.
E. A.

3.4.42.

AT:JW:EG.

CABLEGRAM.

I. 12879.
C.E. 17/55.DATE SENT: 30th March, 1942.
4-50 p.m.

DATE RECD: 31st March, 1942.

DECYPHER FROM:

SECRETARY OF STATE FOR DOMINION
AFFAIRS,
L O N D O N.

Circular D.175. Following for the Prime Minister. SECRET. - 1 APR 1942

France.

1. My Circular D.170 of 26th March, paragraph 5.

The United States Ambassador at Vichy has been instructed to deliver a strong protest against the order for removal of British subjects in Morocco. The U.S. Government are also exerting pressure on the local authorities at Casablanca.

2. My Circular D.170 of 26th March paragraph 3. It appears that in their exchanges with Vichy the U.S. Government have ignored that Vichy seems to be trying to reserve the right to ship a further 1580 tons of petroleum products to the Axis. We are urging the U.S. Government to insist on satisfaction on this point, before allowing ships to sail for North Africa.

Persia.

3. My Circular D.145 of 15th March, paragraph 2. The Prime Minister informed His Majesty's Minister on 27th March that the Persian Government had agreed in principle to expulsion of the Japanese Legation, but wanted supplies from America in return, apparently on Lease Lend terms. H.M. Minister made it clear that neither the U.S. Government nor ourselves could countenance such a bargain. The U.S. Minister proposes to take a similar line, though he has informed H.M. Minister in confidence that the U.S. Government have decided to extend Lease Lend to Persia.

South America.

4. The State Department have informed His Majesty's Embassy that Argentine naval and military purchasing missions are leaving the United States because the U.S. Government refuses to supply war material to the Argentine Republic. The State Department indicate that their policy will not change till the Argentine's policy towards the Axis changes and that their pressure in this instance is to extend to economic spheres.

China.

5. His Majesty's Ambassador reports that Chinese criticism of British efforts in the Pacific war is practically universal; the Chinese are now hoping that since the war may result in reduction of European and American domination in the Far East, the new China may become leader of Asia; the Chinese feel that they can beat the Japanese, whereas we have failed, and stimulated by this sentiment, are showing intolerance of foreign and particularly British advice. On the economic side, no attempt has yet been made to counter rising prices and inflation, though the new Loan and issue of Savings Certificates backed by United States dollars are stated to be designed to remedy the present difficulties. His Majesty's Ambassador points out that while the Chinese will to resist is maintained, the Chinese attitude to the war in general will be materially affected by the fighting in Burma, and by early development of communications with India.

COPY TO: War Cabinet
E.A.
Defence
War Advisory



L.S.

7170

26.3.48



FRANCE.

3. The French Government have delivered a second note dated 14th March containing somewhat ambiguous terms under which they would cease shipments of fuel oil to North Africa. Without consulting us fully the United States Government instructed the Ambassador at Vichy on 22nd March to inform the French Government that they were prepared to resume the supply programme for North Africa on the same conditions as before but that continuance of this traffic would be governed by conditions existing at the time of possible further sailings and must involve adjustment of problems presented by the existence in North Africa of certain strategic materials such as cobalt and rubber. The United States Government also reaffirm their intention to respect sovereignty exercised by the French people in their possessions and to seek restoration of complete independence and sovereignty of the French people.

France
U.S.A.

F

L.S. D 157 20-596

French Empire :

4. My Circular D.132 paragraph 1. In reply to the U.S. note of 5th March, the French Government have given assurance that they abide by the existing agreements between the U.S. and France in regard to French West Indies (My Circular D.779 of 28th December) and are prepared to confirm the instructions sent to the High Commissioner of the Antilles with a view to local settlement of any difficulties which might arise in French possessions in the Western hemisphere. They now await assurances already requested from the U.S. Government (My Circular D.125 of 6th March). In the opinion of the U.S. Ambassador at Vichy acceptance of this reply would be understood by the Vichy Government as equivalent to a guarantee that sovereignty over French Islands in question will remain with the Vichy Government.

5. My Circular D.142 of 14th March, paragraph 2. Though the local French authorities suspended action for a few days they are insisting that the British subjects of military age move from coastal areas to the interior. Other British subjects women and children have not yet been affected. His Majesty's Ambassador at Washington has been instructed to urge the U.S. Government to exert strong pressure at Vichy if possible by threatening to abandon any idea of resuming supplies for North Africa.

S.S.
DIV 2

14.3.42



4. My Circular D.116 of 2nd March paragraph 4. The United States reply made it clear that before considering further questions the United States Government must request assurance from the Vichy Government that their Agreement not to give "military assistance" to belligerents covers delivery or transportation of food, fuel, trucks, and other supplies from any source to Axis forces. At the same time the French Ambassador at Washington was informed that until the Vichy Government had given satisfactory replies on the above point, also on the removal of "DUNKERQUE" from Oran to Toulon and on the visit of the French Submarine to Martinique it would be impossible to consider resumption of United States supplies to North Africa.

France
USA

PRIME MINISTER'S DEPARTMENT.

CAF/JW/SMCM.

CABLEGRAM

I. 10055.

CE 50.

Sent on 9th March, 1942.

10.55. p.m.

Received 10th March, 1942.

DECIPHER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.



From U.S.A.

CIRCULAR D.132. French Empire. My Circular
D. 125 of 6th March, paragraph 2.

1. United States Embassy at Vichy have been
instructed to reply that there can be no question of accepting
the French proposals.

TURKEY.

CABLEGRAM.

SEC



I.9667.

CE 35

DATED 6th March, 1942.
3-15 p.m.

RECEIVED 7th March, 1942.

SECRET. Following for the Prime Minister.

1. My Circular D.109 of 25th February, paragraph 3
H.M. Ambassador has been instructed to make it clear to
the U.S. Government that we regret their failure to seize
Martinique and Guadeloupe when opportunity was offered by
the recent visit of German submarines; that we attach
great importance to this question and that we consider
decisive action only possible method of convincing
the Vichy Government particularly Darlan that the United
States Government intend to be firm.

1. My Circular D.109 of 25th February, paragraph 3.
H.M. Ambassador has been instructed to make it clear to the U.S. Government that we regret their failure to seize Martinique and Guadeloupe when opportunity was offered by the recent visit of German submarines; that we attach great importance to this question and that we consider **decisive** action only possible method of convincing the Vichy Government, particularly Darlan that the United States Government intend to be firm.

PRIME MINISTER'S DEPARTMENT.

JW/Tmc.

CABLEGRAM. I.9076

Cs 58/186

Dated - 2nd March, 1942.

6.52 p.m.

Recd. - 3rd March, 1942.

DECYPHER FROM:

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

Circular D.116. SECRET. Following for the Prime Minister.
French Empire.

My Circular D.95 of 19th February.

In view of the United States - Vichy negotiations the United States Under Secretary deprecates our proposal to make representations to the Vichy Government at present juncture.

2. My Circular D.109 of 25th February paragraph 3. The Vichy Government having returned an unsatisfactory reply to their representations, the United States Government are making it clear that in default of satisfactory assurances they would be obliged to take such action as they might consider necessary in the interests of United States defence and security of the Western Hemisphere.

3. My Circular D.109 of 25th February paragraph 2. On 24th February the Vichy Government returned a written reply reaffirming their intention to maintain neutrality as conceived under Axis obligations and declaring that they could not therefore give military assistance to one belligerent, particularly the use of French ships for war purposes. In return the Vichy Government hoped for the resumption of maritime traffic, resumption of supplies to North Africa under the original conditions, satisfactory settlement of the St. Pierre incident, respect of French rights and interests in various parts of the world and spirit of understanding on the part of the United States Government and the people.

4. Despite their somewhat evasive terms the United States Under Secretary of State intends to take these assurances at this stage at their face value but will reply that all supplies to the Axis must cease. As regard United States supplies for North Africa he intends at present to employ delaying tactics. In general he expresses himself determined to hold the Vichy Government to observance of the Armistice terms. The proposed recall of the United States Ambassador appears to be still in suspense.

Egypt.

5. The Egyptian Government are experiencing difficulty in getting the Vichy Minister out of Egypt. They hesitate to eject him by force through fear of retaliation against Egyptians subjects in France.

Syria.

6. Although there is no real shortage of foodstuffs and the majority of the population have benefited by Allied occupation, rising cost of living has affected politically conscious elements more than others and has led to disturbances in Syrian and Lebanese towns. These have ostensibly been

2.
CABLEGRAM 1.9076

directed against the price of bread, etc. but in fact have been aimed at the Government and encouraged by the opposition.

Iraq.

7. My Circular D.107 of 17th February paragraph 1. When Nuri raised the question of Iraq declaring war on the Axis and adhering to the 26 Power Pact he was anxious to concert action if possible with the Saudi Arabian Government. We persuaded him to await the result of our soundings. In view of the cogency of arguments advanced by Ibn Saud we do not propose to press His Majesty to alter his decision. We are informing Nuri accordingly and are prepared to leave the decision whether or not Iraq shall declare war entirely to the Iraqi Government. We do not wish to discourage them but His Majesty's Ambassador has been authorised to warn the Prime Minister as sympathetically as possible that we can give Iraq little immediate help, either war material or financial assistance, beyond what we are already doing.

South America.

8. The Venezuelan Minister for Foreign Affairs has informed His Majesty's Minister that Allied warships operating under the United States Command may enter Venezuelan waters in performance of their duties; the larger question of total non-belligerent status for allies of the United States will be considered later.

Persia.

9. Intrigues by the Senate combined with ineffective handling of domestic problems have exposed the Persian Government to increasing opposition * culminated in a vote of confidence for the present Prime Minister with the proviso that the Cabinet must be reorganised.

10. The Shah while professing confidence in us remains apprehensive of the possible Russian intervention in Persian internal affairs though the Russians have recently admitted the Persian Governments right to move their troops wherever they please.

Greece.

11. As temporary relief measures (which still await Axis concurrence) we are arranging shipment to Greece of 8,000 tons of wheat from the Middle East and 5,000 tons of wheat and fish from Portugal to be carried by a Swedish ship in place of the wheat offered by the Italian Government but not now forthcoming; my Circular telegram D.76 of 9th February. The United States Government also propose to send 2,300 tons of flour (my Circular D.109 of 25th February). The situation in Greece is however deteriorating and the Greek Government have been pressing us for further relief. We and the United States Government have therefore decided that in view of the exceptional circumstances further shipments of wheat or flour to Greece should be allowed subject to

(1) Provision of safe conducts by all belligerents for the ships engaged

(2) Establishment of a neutral commission in Greece with the direct control of all relief imports and facilities for inspection to ensure that the relief goes solely to the Greek population.

(3) Condition that foodstuffs originating in Greece should be reserved solely for the Greek population except

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

3.

1.9076

is so far as the food consumed in Greece by occupying forces or officials are replaced by equivalent imports for the Greek population.

With the United States concurrence we are approaching the Swedish Government in the hope that the Swedish Red Cross or other Swedish body under the auspices of the International Red Cross may assume the role of the proposed neutral commission. We are making it clear that the whole plan depends on the use of Swedish shipping in the Baltic.

Copy - War Cabinet
War Advisory Council
Defence
E.A.

* Group Mutilated

3/3/42.

S.S.
D109

France - Vichy

25.2.42

FRENCH EMPIRE.

2. United States Ambassador has made representations to the Vichy Government on the lines foreshadowed in my Circular D.98 of 21st February. Marshal Petain promised to send a written reply and seemed to indicate that this would include the assurances requested by the United States Government. Admiral Darlan who appeared much concerned at the firm reaction of the United States Government and reaffirmed his anxiety to see relations maintained between Vichy and the United States, said that French ships were no longer carrying trucks to Tunisia. United States Ambassador understood however that shipments of food had not been stopped.

3. My Circular D.107 of 25th February United States representations to Vichy regarding the German submarine's visit to Martinique made it clear that the United States demanded assurances that no Axis warships or aircraft should be allowed to enter any French possessions in the Western Hemisphere.

4. My Circular D.96 of 19th February. The United States Government have made it clear to the French Embassy that they are determined to stop any anti-British radio at Guadeloupe.

3.30 P.M.
27 FEB 1942 F

L.S.

2107

25.2.42

FRENCH EMPIRE:

5. A German submarine recently called at Martinique with the purpose of landing an injured member of the crew. The submarine left immediately afterwards. The United States Government who had been informed by Vichy to this effect replied that further action of this kind would oblige the United States Government to take over French possessions in the Caribbean.

3.30 p.m.
27 FEB 1942

File

Extract from

L.S.
D98

21-2-42



French Empire.

Have - 11/11

3. The U.S. Government made representations to the Vichy Government against the use of French ships and supply of French material to the Axis in North Africa, and sought assurances that such collaboration would cease. The Vichy Government have returned a reply which while containing professions of good intentions and certain limited assurances does not give precise assurances for which the U.S. Government asked. Accordingly the U.S. Government propose to instruct the United States Ambassador:-

- (1) To return to the United States of America to report.
- (2) To make it clear to the Vichy Government that if precise assurances desired by the U.S. Government are not forthcoming before he leaves Vichy, this will have a considerable effect upon the United States policy.

7

France - U.S.A.
DEPARTMENT OF EXTERNAL AFFAIRS.

MOST SECRET
CABLEGRAM.

782.



FROM: AUSTRALIAN MINISTER,
WASHINGTON.

No. 279.

Date sent 15/2/42
at 1.35 a.m.
Date rec. 15/2/42.

MOST IMMEDIATE. Most Secret.

The President has sent personal telegraphic message to Petain asking for undertaking that Vichy will cease to help the Axis and that in the absence of satisfactory assurance he will recall American Ambassador from Vichy in order to consult with him as to the future attitude of the United States towards Vichy.

Most Confidentially I find that the possibility of Vichy "selling out" to Japanese in Madagascar has not been overlooked in London and here.

Copy to: P.M.
Min. E.A.
Defence Dpt.

15/2/42.

F.

France U.S.A.

FILE COPY

DEPARTMENT OF EXTERNAL AFFAIRS.

SECRET

CABLEGRAM.

739
AJS

DECYPHER FROM:

EXTERNAL AFFAIRS OFFICER,
LONDON.

DATE SENT : 7.54 p.m. 12/2/42.

No. 81.

RECD: 13th February, 1942.

SECRET. FRANCE.

Head of French Department today expressed satisfaction that United States will from now on take a stronger line in their relations with Vichy. We could not however - at best - expect much more from Vichy than Petain's attitude set out in Dominions Office telegram No. 62 para. 2.

Matthews, new Counsellor of American Embassy at London, recently transferred from Vichy, today described how United States atmosphere there changed, and he told of Allied successes and reverses. They were clearly marking time to see how we fared.

General Fabre has taken Huntziger's place at War Office, but Darlan has seen to it that his status is only that of Under-Secretary. Pro-British General Lattre (my telegram 656) has been brought back to France from Tunis.

Spears Mission has this week been reorganised as "British Mission to Free French National Committee", in charge of Peake (Foreign Office).

Mack considers present close contacts between Russian Government and Free French comes mainly from latter, in particular Dejean.

STIRLING.

Copies to : Min. F.A.
Defence Dept. 13/2/42.

SECRET**CABLEGRAM.**

Via CE 105/214.

JW/ML

I.5512.

DECYPHER FROM

DATED 12th February, 1942.

THE SECRETARY OF STATE
FOR DOMINION AFFAIRS,
L O N D O N.9.30 p.m.
RECEIVED 13th February, 1942.

Circular D. 85.

S E C R E T.FOLLOWING FOR THE PRIME MINISTER.

FAR EAST.

1. The Swiss Government have informed us of a Declaration by the Japanese Minister for Foreign Affairs in the sense that Japanese Military Authorities now exercise all authority in Penang, Hong Kong, and Malaya and that all Foreign Consular Officers are requested to leave those areas.

FRENCH EMPIRE.

2. My Circular D. 82 of 12th February. In response to an enquiry, Darlan informed the U.S. Ambassador in the presence of Petain that in order to avoid forcible seizure of Bizerta he had agreed to allow French vessels to carry 200 tons of supplies each week to Tunis in addition to a total of 500 Italian trucks, but that neither war materials nor munitions had been nor would be transported. With reference to negotiations regarding French vessels in the Far East, the U.S. Ambassador sought assurance that the French Government would not agree to use French ships against the United States. Darlan replied that the French Government would not agree to use French ships for military purposes, but that the Japanese might seize the ships without the agreement of the French Government.

3. In response to a request for German officials to be allowed to inspect ships plying between North Africa and the United States, the French Government are reported to have agreed that German officials may visit the vessels at Casablanca as being the terminal point in North Africa.

4. H.M.'s Ambassador made representations to the U.S. Under Secretary of State in the sense of my telegram Circ. D. 72 of 7th February paragraph 2. The Under Secretary indicated that the United States Government intend to adopt a tougher attitude towards Vichy though they remain anxious to avoid rupture of relations and to maintain status quo in North Africa.

Copy War Cabinet, War Advisory Council
Defence, E.A.

14/2/42.

PRIME MINISTER'S DEPARTMENT.

AT/SMCM.

CABLEGRAM.

I. 5389.

CE 106/375.

Sent on 12th February, 1942.

1.25 a.m.

Received 12th February, 1942.

DECYPHER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

CIRCULAR D.82. SECRET.

Following for the Prime Minister.

TANGIER.

1. My Circular D.80 of 10th February.

The Spanish Embassy here have been informed that we take a serious view of the Tangier disturbances, that we protest against the connivance of Spanish authorities in attacks on British property, demand that steps be taken to prevent recurrence and reserve the right to claim compensation for damage. We have emphasised that circumstances of the demonstrations suggest that the whole affair was staged by Axis Agents with the object of disturbing Anglo-Spanish relations.

EGYPT.

2. My Circular D.70 of 7th February.

Recent events are reported to have caused resentment against us among Egyptian Army officers some of whom propose to demonstrate their loyalty to the King. The latter enjoined them to remain calm. On the other hand, the Palace appears to have been responsible for circulating information which has prompted talk of a social boycott against us. His Majesty's Ambassador has made it clear that if such manifestations materialised he would regard them as running counter to King Farouk's professed intentions of playing straight by us. He has suggested that the King should make some immediate public gesture of allied solidarity and recommended that pro-Italian Palace clique should be eliminated forthwith.

FRANCE.

3. My Circular D.80 of 10th February. The

United States Ambassador at Vichy has learned that in December the Italian Minister for Foreign Affairs asked Darlan to allow shipment of Axis material from Marseilles to Tunis by French ships at the rate of 500 tons per day and to agree to onward transit to Libya. Without informing Petain or Vichy Ministry for Foreign Affairs, Darlan agreed to the shipments at the rate of 200 tons per day. In return the Italians promised to press the Germans with a view to securing release of French prisoners, return of the French Government to Paris and the inclusion of Paris in the unoccupied zone. Under the agreement war material was specifically excluded but according to information reaching the United States Embassy at Vichy, various supplies, trucks and sealed cases were being shipped. United States Government take a serious view of the matter.

War Cabinet & War Advisory Council.
Defence.
E.A.

12.2.42.

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

DECYPHER FROM -
SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

I.270
CE 66
DATED 1st January, 1942.
8.30 p.m.
RECEIVED 3rd January, 1942.

CIRCULAR D.2.

SECRET.

Following for the Prime Minister.

FAR EAST.

His Majesty's Consul-General at Saigon is we believe at present held under close house arrest. We have given instructions for the Vichy Consul-General at Singapore to be similarly treated until we are assured that His Majesty's Consular Officers in Indo-China have left that country.

FRENCH EMPIRE.

2. The United States Government have requested that a Free French island in the South Seas should be made available as a base for United States ships.

3. The United States Ambassador at Vichy has discussed with Marshal Petain and Darlan delivery of 3,600 tons of petrol to the Axis in Libya in contravention of the United States Vichy economic agreement concerning North Africa. Darlan declared that the agreement would not be violated and that the petrol would be shipped only from France in exchange for materials from Germany. Other information suggests however that the petrol will be drawn from North African stocks.

SOUTH AMERICA.

4. The Argentine Ambassador at Berlin has been recalled for consultation. The German Government are reported to have recalled their Ambassador from Buenos Aires.

5. The Venezuelan Government have broken off relations with Germany, Italy and Japan.

Copy - War Cabinet
Advisory War Council
Defence
External Affairs

3.1.42

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I.29669

102/86

JW/DE

DATED: 26th December, 1941

2-40

RECD: 27th December, 1941

DECRYPTER FROM:

SECRETARY OF STATE FOR
DOMINION AFFAIRS,
LONDON.

SECRET

Circular D.771. SECRET.

Following for the Prime Minister.

FRANCE.

Recent alarmist rumours appear to have no foundation. The United States Ambassador at Vichy reports no abnormal political, military, or naval activity, and no indication that Petain is about to resign.

PERBIA.

2. On 23rd December His Majesty's Charge d'Affaires had a satisfactory interview with the Shah. On 24th December, the Minister for Foreign Affairs assured him that assent of Parliament would be finally received on 28th December, and the Treaty could thus be signed on the following day.

Copy - WAR CABINET
WAR ADVISORY COUNCIL.
DEFENCE
EXTERNAL AFFAIRS.

27.12.41

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I. 28956

22 73/197

JW, NEW

Date Sent - 20th December, 1941.

2 P.M.

Date Received - 21st December, 1941.

DECRYPTER FROM -

SECRETARY OF STATE FOR DOMINION AFFAIRS
LONDON

Circular M. 472. Most Secret.

Following for the Prime Minister.

French Empire.

My Circular M. 459 of 15th December. The following are our first reactions as communicated to His Majesty's Ambassador at Washington for use with the State Department at his discretion.

1. Petain's attitude gives little ground to suppose that he will resist any German claims that may be pressed upon him. The assurances contained in the first and third of his three memoranda are all over shadowed by the confession referred to in paragraph 2 of my telegram under reference that he will apparently break off relations with the United States Government if the Germans insist and use threat of starving France.

2. He states that the French fleet would not be used against Great Britain except in the event of hostile action on the latter's part. At the same time the Vichy Government seems to be engaged in building up a case against us so as to justify use of the French fleet for convoy purposes.

3. Petain says that French territory will not be used as a base for operations by the armed forces of Germany. He says nothing about the use of French bases by the Axis for supply purposes. When he permitted the Japanese to occupy Indo China he may have saved his conscience with the thought that the territory was not being used as a base for operations against the allies. It is now being so used. He was willing to allow the Germans to use Syrian air ports in order to get into contact with Iraq Rebel Government. If he agrees to allow North African bases to be used by the Germans for supply purposes the history of Indo China may repeat itself. The issue is an easy one.

4. Petain states that Weygand's departure has not modified the status of French North Africa. That may be so in theory at the moment and pending the use of bases by the Germans. But it is clear that Weygand's departure removed one figure in North Africa of sufficient authority in certain circumstances to gather round him forces of resistance to Germany.

Vichy's declared intention of maintaining an attitude of neutrality is belied by Petain's own confession that he may be forced by the Germans to break off relations with the United States of America. In any case Vichy collaboration with the Axis has already extended so far that we have told the Vichy Government that we are unable to regard Vichy France as entitled to the rights or privileges of a neutral.

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

1.28956

5. Unlike other assurances the assurance about French ships at Martinique can be accepted since it is dictated by logic of the fact that the United States Naval Forces are in a position to prevent these ships leaving.

Copy to - War Cabinet
Defence
E. A.

22.12.41.

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

JW/PC.

DECYPHER FROM -

THE SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

1.28682.

CE 143

DATED 18th December, 1941.
9-45 p.m.
RECEIVED 19th December, 1941.

Circular D.747.

SECRET. Following for the Prime Minister.

FRANCE.

1. The State Department see slight improvement in Vichy situation. They attach importance to the fact that the French addressed strong note to the Germans concerning hostages and subsequently broadcast this intervention. Germans refused to accept the French note.

Copy to War Cabinet
Defence
E.A.

19/12/41.

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I. 28278.

CE 67.

Sent on 15th December, 1941.

11.40. P.M.

Received 16th December, 1941.

DECRYPTER FROM -

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

MOST
SECRET

CIRCULAR M.459. MOST SECRET.

Following for the Prime Minister:-

FRENCH EMPIRE.

My Circular M.397 of 28th November.

11th December the United States Ambassador at Vichy told Petain in Darlan's presence that if France were to lend her fleet or sea bases to Germany the United States would be unable to maintain her relations with her.

2. Petain stated that so far the Germans had not requested any alteration in the French Government's relations with the United States but that any such request would be difficult for Vichy to refuse under threat of starvation. Admiral Leahy received the impression that Petain expected such a request.

3. Admiral Leahy had no confirmation of reports concerning impending German troop movements to Marseilles and the Spanish frontier and the United States Secretary of State instructed him to press Petain for assurances regarding such reports.

4. Petain handed to Admiral Leahy three memoranda. The first -

- (a) Renewed assurance that in no circumstances will the French fleet be handed over to Germany or used against Great Britain except in the event of hostile action on our part; and that French territory will not be utilized as a base for operations by German armed forces.
- (b) Affirmed that the removal of General Weygand had not modified the status governing French territories in North Africa or changed the political position of France in North Africa.

The second stated that the departure of French warships from Martinique or other ports in the western hemisphere will not be permitted.

The third stated that France will maintain complete neutrality during the United States war with Germany and Italy.

Leahy has reported that it is widely believed that the Germans will request the French Government to interrupt their relations with the United States Embassy and that friendly officials think that as a first step the Germans will request suspension of the Embassy's coding facilities.

War Cabinet.
Defence.
E.A.

17.12.41.

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

3436

DECYPHER FROM:
EXTERNAL AFFAIRS OFFICER,
LONDON.

777. MOST SECRET. France. Head of French Department this morning said that there was still no certain knowledge as to what happened at the Petain-Goering meeting at Saint Florentin. There is conflicting evidence, balance pointing to Vichy's having done a deal with Germany, giving the latter use of bases in North Africa in particular Bizerta. Mack said he had no doubt in his own mind that Vichy had agreed to grant the use of the bases. There was however no reliable evidence that they had agreed to give up the fleet.

The evidence with regard to the meeting comes from United Kingdom's own secret sources. Free French have not been able to produce anything, and up to present there has been nothing of importance from the Americans.

Admiral Leahy's interview with Petain and Darlan yesterday was the first since the Saint Florentin meeting and no account yet received here. According to a Press report from Geneva Leahy went to tell Petain that the handing over of the warships or Bizerta would be regarded as the "final act of treachery".

Nothing is known as to the accuracy of the German Press report that Leahy is going back to America, and that this was the final interview.

Mack pointed out that the American policy towards France might not yet be clearly defined, but he thought that Leahy's instructions for the interview must have been stiff.

American supplies to leave for Africa (telegram D.729) still remains suspended. Mack thinks that Vichy will try, however feebly, to cling to American connection as long as possible, as witness their statement, that they are "neutral" in the Pacific, and that the Japanese in Indo China do not affect French sovereignty there.

Nothing yet known as to Darlan's meeting with Ciano at Turin but this almost certainly related to Tunisia. It was originally reported that a tripartite meeting would be held in France, but as this did not occur, Mussolini evidently decided to assert himself and summoned Darlan.

Ministry of War is still vacant, and it is reported that Army and Navy are struggling to fill it. Juin is now Commander-in-Chief of North Africa, Weygand's post of Resident General being filled by a Secretary-General. Admiral Fenard continuously appears to be right out of the picture, despite assertion of "Figaro" that "he will conserve his strength for new task".

Mack considers that there is nothing to hope for from the French in North Africa. "Unless we were on Tunisian frontier in overwhelming strength and at the same time Anglo-American forces in overwhelming strength landed in west North Africa. Otherwise French Generals would feel bound to put up resistance".

STIRLING.

Copy - P.M. }
Min. E.A. } 13/12/41
Defence }

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

DECYPHER FROM -

The Secretary of State for
Dominion Affairs,
LONDON.

1.25634.
Cc. 78/265.
DATED 28th November, 1941.
9.10 p.m.
RECEIVED 29th November, 1941.

Circular telegram M.397. MOST SECRET.

Following for the Prime Minister -

Admiral D'Harcourt, Commanding French Naval Forces at Casablanca, has stated that he has received no orders about surrendering of the French fleet or French Moroccan bases. He thought it most unlikely that the French would now resist the Germans and he would follow Vichy's orders if the latter told him to turn over the bases to the Germans. While expressing a high opinion of the British Navy he stated that as a French Admiral he would act against British aggression and that he expected that the other French Admirals would resist British action against French bases. He did not, however, say that he would resist German aggression against French bases. Mr. Wells stated recently that he thought that Vichy had only not given the fleet and bases because they had not as yet been demanded. So far as he could judge, the Vichy Government was now completely collaborationist.

COPY TO - WAR CABINET
DEFENCE
E. A.

30.11.41.

France - USA
PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I.22742

Ce 41/104

DATED: 3rd November, 1941.

8-30 p.m.

RECD: 4th November, 1941.

DISPATCH FROM:

THE SECRETARY OF STATE FOR
DOMINION AFFAIRS,
LONDON.

Circular D.665.

SECRET.

SECRET

Following for the Prime Minister.

FRENCH EMPIRE.

7,000 tons of rubber have recently arrived at Casablanca from Saigon. With a view to preventing this consignment from reaching unoccupied France and thereafter enemy hands, His Majesty's Ambassador at Washington urged the Under Secretary of State to press the French to sell the rubber to the United States Government. He suggested that the latter should approach Weygand or Vichy or both on the following lines:

(a) The United States Government had reason to believe that the British Government had knowledge of this shipment and that they would almost certainly make efforts to intercept any vessels carrying rubber to Metropolitan France.

(b) That this would almost inevitably lead to a clash between British and French Naval Forces which would be unfortunate.

(c) French North Africa was receiving supplies under a programme sponsored by the United States Government and failure to give sympathetic attention to the present request to sell to the United States might have unfortunate repercussions on this programme.

(d) The United States Government had made efforts to obtain from Indo-China rubber which it required for its defence programme but so far without much success.

The State Department have instructed Murphy to approach Weygand on the lines of (a) above, and to press the French to sell rubber to the United States Government in order to avoid an Anglo-French incident.

Copy - WAR CABINET
DEFENCE
EXTERNAL AFFAIRS

4/11/41

hvi

7

DEPARTMENT OF EXTERNAL AFFAIRS.

SECRET

CABLEGRAM.

1426.

DECYPHER FROM
AUSTRALIAN MINISTER,
WASHINGTON.

Date sent: 5th June, 1941.
10.27 p.m.
Received: 6th June, 1941.

No. 414.

SECRET

I saw Sumner Welles today.

Strong statement regarding France made by the Secretary of State today was prompted by the knowledge that Pétain proposes shortly to make a statement to the French people to prepare them for a formidable advance in the degree of co-operation with Germany.

Sumner Welles believes this proposed co-operation will stop short of the use of the French Fleet.

He believes that American-French diplomatic relations should be broken off and that relations with Germany and Italy should be broken off at the same time. He says it is fatigued to maintain diplomatic relations which are useless as a channel and which merely enables the Axis Powers and their friends to exploit the position here.

He believes that Vichy is irrevocably under the influence of Germany and that it is only a matter of a relatively short time before all French facilities are at the disposal of Germany. However, he has doubts whether the French Fleet and French Army in North Africa and elsewhere would fight against Britain.

CASEY.

Copies to:
War Cabinet
Dept. Def. Co-ord.
7.6.41.

PRIME MINISTER'S DEPARTMENT.

I.9843

CABLEGRAM. VIA IMP 386/50

DATED - 29th May, 1941.

2135 hrs.

RECEIVED. - 29th May, 1941.

DECRYPTED FROM:

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

Circ. M. 100 MOST SECRET. My Circ. M.99.

Following for the Prime Minister:-

Free French Headquarters on 26th May have communicated the following message to the United States Government:

"General de Gaulle has taken note of the recent statements by prominent Americans about the possibility of "preventive occupation" by the United States of certain French possessions (St. Pierre and Miquelon, French West Indies, French Guiana, Senegal etc.) He recognises the vital importance for both American States and the Allies of forestalling German action in the Western Atlantic, whether direct or through Vichy. He is also convinced that the American States understand his anxiety to keep these possessions within the French Empire. The true interests of Free France and American security are thus the same.

General de Gaulle is ready to collaborate with the American States in establishing in these French possessions a provisional regime which, while preserving French sovereignty over them would protect them from German aggression. Such collaboration would provide a satisfactory solution of the problems specially affecting the Western Hemisphere and would also enable a new part of the French Empire to re-enter the war on the Allied side.

General de Gaulle observes that according to the latest and most reliable information the German threat to these possessions is serious and imminent."

Full Cabinet
Defence
E.A.

30/5/41.

PRIME MINISTER'S DEPARTMENT.

SECRET
CABLEGRAM.

I.8540

CE 27

DATED - 25th May, 1941.

11.10 p.m.

RECEIVED - 26th May, 1941.

DECRYPTER FROM:

SECRETARY OF STATE
FOR DOMINION AFFAIRS,
L O N D O N.

Circ. D. 305. S E C R E T.

Following for the Prime Minister:

VATICAN.

1. The Cardinal Secretary of State has explained to His Majesty's Minister that in receiving the Duke of Spoleto and Pavelic the Pope made it clear to each that he would not discuss political relations with Croatia until after the war.

USA.
2. The United States Secretary of State has indicated to His Majesty's Ambassador at Washington that United States Government are not inclined to announce support for General De Gaulle until they know better the attitude of Weygand.

THAILAND.

3. We have represented to United States Government that we are mainly concerned to prevent Thai rubber and tin going to Japan and Axis and that for this purpose maximum use must be made of our and United States ability to supply oil.

Full Cabinet
Defence
E.A.

TELEPRINT TO SYDNEY.

26/5/41.

THE SECRETARY,
DEPARTMENT OF EXTERNAL AFFAIRS.

Referred.

Thalery
Secretary.

PRIME MINISTER'S DEPARTMENT.

SECRET

I. 0015.

W 59 Cable CE 18/3

CABLEGRAM.

DECRYPTER FROM
SECRETARY OF STATE
FOR DOMINION AFFAIRS,
L O N D O N.

Sent 31st December, 1940
6.45 a.m.
Received 1st January, 1941.

Circular D. 632.
S E C R E T.

Following for the Prime Minister --

G R E E C E.

(1) My Circular D. 622, paragraph 1. H.M. Minister at Athens learns from the Greek Ministry of Foreign Affairs that the Greek Government have rejected the new German request for implementation of the agreement to increase the drachma - mark rate of exchange; also that since Germany continues to refuse passage to Greece of materials likely to assist the Greek war effort, the Greek Government are reciprocating in respect of Greek exports to countries under German control or economic domination.

F R A N C E.

(2) The French Ambassador at Madrid has given to H.M. Ambassador a message from the French Minister for Foreign Affairs to the effect that the latter is prepared to begin economic negotiation with us but that the delicate German situation makes it necessary to wait a little.

(3) The United States Under-Secretary of State has been told by the French Ambassador at Washington that the latest development at Vichy was a virtual ultimatum from the Germans that Laval must be reinstated or Germany would collaborate no further with the Vichy Government. Petain had refused to reinstate Laval so the Germans were now directing propaganda against him.

T H E F R E N C H C O L O N I E S.

(4) On 27th December H.M. Charge d'Affaires taxed the United States Under Secretary of State with the report that the United States authorities were granting fuel to enable a French merchant vessel to proceed from Martinique to Casablanca and enquired whether the United States Government wished thereby to retain influence over Marshal Petain and strengthen the French North African Empire. The Under Secretary of State agreed that the United States Government were particularly influenced by the latter consideration.

TELEPRINTED 1/1/41.

War Cabinet.
Def. Co-ord.
E.A.

France - USA 146
DRAFT TELEGRAM TO AUSTRALIAN MINISTER AT WASHINGTON.

SECRET

20.9.40

No 180

Your 267. Position is anomalous as although there is no diplomatic communication between United Kingdom and Vichy; Commonwealth Government still recognises French Consul General here. Suggest you formally acknowledge receipt of communication only.

France USA

SECRET

265.

DEPARTMENT OF EXTERNAL AFFAIRS

Decode of telegram from Australian Legation, Washington.

Date 19th September, 1940.

Lodged 4.11 p.m.

Recd. 12.38 p.m.

No. 267.

20/9/40.

New French Ambassador has formally
notified me in writing of the presentation of his credentials.

I would be grateful for instructions.

CASEY.

—

[Red signature]

Handy 658

**MOST
SECRET**

DEPARTMENT OF EXTERNAL AFFAIRS

DECYPHER OF TELEGRAM RECEIVED FROM HIGH COMMISSIONER, LONDON.

Date: 30/8/40

Lodged 8.5 p.m.

No. 747

Recd. 9.10 a.m. 31/8/40

FOR PRIME MINISTER. MOST SECRET.

In recent communication on the problem of relief in unoccupied France, President told Lothian that he had definite views which he might shortly express publicly that no relief should be afforded to any country in Europe occupied by Germany including occupied districts of France. He was against any attempt to provide general relief for unoccupied France, but was strongly of opinion that there should be organized American efforts to supply milk for children and medicines under American supervision in unoccupied France. The President proposes to press this view on the British Government and it would appear desirable that it should be accepted as the President is very sound on broad question and supplies of milk for children and medicines while not helping Germans would probably be of great assistance with public opinion generally.

BRUCE.

COPIES TO: CAPTAIN BRACEGIRDLE
MR. SEDGWICK 31/8/40

62

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I. 4581.

DECRYPTER FROM

Via Imp. 427/19/CE.

THE SECRETARY OF STATE
FOR DOMINION AFFAIRS,
LONDON.

DATED 23rd June, 1940.
8.37 p.m.
RECEIVED 24th June, 1940.

Circular B. 123.

SECRET.

Following for the Prime Minister -

NORWAY.

1. The Swedish Ministry of Foreign Affairs believes that the Norwegian administration in Oslo will, under German pressure, depose the King and Crown Prince. Germans appear to have offered them the choice between treatment like Denmark if they consent and direct German administration on Polish lines if they refuse.

SWEDEN.

2. Shipping agreement has been reached between Germany and Sweden, under which additional Swedish ships used for increased German coal exports to Sweden will carry Swedish ore on the return journey, thus freeing German shipping for other purposes.

FRANCE.

3. The United States State Department made it clear that in the event of France agreeing to hand over French assets in the United States to Germany, the United States Government's action would be guided by the order of 17th June subjecting such assets to licence. They would not allow any French Government dominated by Germany to get control of French assets or balances in the United States.

SWITZERLAND.

4. Germany is increasing pressure on the Swiss Government in German-Swiss trade negotiations.

BULGARIA.

5. The German success has stimulated revisionists claims and spread pro-German influence in Bulgaria.

6 group mutilated.

SECRET

PRIME MINISTER'S DEPARTMENT.

CABLEGRAM.

I. 4581.

JAPAN.

6. French agreement to the Japanese request for the closing of Indo-China frontier to all exports and imports is reported to have eased the control somewhat. At the same time direct action by Japan appears to be gaining strength.

Copy to - War Cabinet.
Dept. Def. Co-Ordn. (TELEPRINTED)
Dept. E.A.
24.8.40.

WHITALL 1511



6, RICHMOND TERRACE,
WHITEHALL,
LONDON, S. W. 1.

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.

CONFIDENTIAL

S.6926.

Air Mail 14.7.39.
Due to arrive 24.7.39.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

FRANCE.

Relations with United States.

Last letter S.6912 of 7th July.

The instructions referred to in the above letter were carried out by our informant on 7th July. M. Bonnet entirely agreed as regards public utterances. He felt very strongly however that there was "a great deal to be done in the United States by giving to Americans, whether of the Press or others, clear and fair statements of the British and French cases. For instance, the American public should be given the chance to learn all we have done and are doing about refugees from Germany, who have been denied admittance to the United States of America".

Alfred Stirling.

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France-USA

WHITEHALL 1511



6, RICHMOND TERRACE,
WHITEHALL,
LONDON, S. W. 1.

CONFIDENTIAL

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.

S.6912.

Air Mail - 7.7.39.
Due to Arrive - 17.7.39.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

FRANCE.

Relations with United States.

In continuation of S.6904, our informant in Paris has been instructed to impress on the French Government the considered view of the United Kingdom Government that it is of the utmost importance at the present time to avoid any utterance calculated to give a handle to the isolationists in the United States of America.

Replied Stirling

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WM
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TELEGRAM FROM EXTERNAL AFFAIRS OFFICER, LONDON.

DATED 16th June, 1939.

SECRET

No. 234.

Secret.

France.

In the course of a conversation with United States Ambassador at London on 7th June Lord Halifax said that United Kingdom Government were disposed to feel that French policy was being unnecessarily stiff regarding initiation of conversations with Italy and also regarding matters arising between France and Spain. The Ambassador said that he fully shared this view and would suggest to the President that he should from his side and independently counsel the French to try and be somewhat more accommodating. This he anticipated the President would be very glad to do.

STIRLING.

Copies to:

Prime Minister.
Minister E.A.
Capt. Bracegirdle.
19.6.39.

June - USA
F

Handwritten: France-USA

COPY.1a

6 Richmond Terrace,
Whitehall,
LONDON, S.W.1.

COMMONWEALTH OF AUSTRALIA
DEPARTMENT OF EXTERNAL AFFAIRS

CONFIDENTIAL.
S.8362

Air Mail - 8.2.39
Due to arrive - 18.2.39

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

UNITED STATES.

On 3rd February the British chargé d'affaires at Washington reported that the President had that day at a press conference described as "a deliberate lie" the statement that at the last conference he had said "the American frontier was in France". He declared that the United States Government's foreign policy had not changed and was not going to change. The Government remained opposed to any "entangling alliances". They were in favour of the maintenance of world trade, and of every effort to reduce or limit armaments. And they sympathized with the peaceful maintenance of political, economic and social independence of all nations in the world.

2. The United States Ambassador (Mr. Bullitt) has now returned to Paris from Washington.

Our informant in Paris saw him on 6th February and was told that he had spoken that day with President Roosevelt over the telephone and had found him in wonderful form. The President did not seem to mind in the least the "leakages" in regard to what he had said before the Senate Foreign Affairs Committee. He denied having spoken of the United States frontier being in France or on the Rhine. What he had said was that the French Army was the first line defence of the United States and that anything he could do to strengthen that Army was all to the good. The President had added that if France wanted more aeroplanes, in fact double the number she had ordered in the United States, she could have them.

Mr. Bullitt said that opinion in the United States had advanced very considerably since he had spoken to our informant early last September about the difficulty of repealing the Neutrality Act. He believed that in the event of war between the democracies and the dictators the Act would in fact be repealed almost immediately. Mr. Bullitt said that he found the situation in France very much improved since last autumn, and France much more united and determined than she then was. He agreed with our informant in thinking that French resistance to any territorial aggression or even demands by Italy would be immediate and unanimous.

3. I enclose a report of The Times's New York correspondent of 5th February.

(33) ALFRED STIRLING.

Handwritten: 7

THE TIMES. 6.2.35

U.S. BUSINESS

EVIDENCE OF NEW ADVANCE

INCREASED BUILDING ACTIVITY

From our own Correspondent

NEW YORK, Feb. 5.

There was a sigh of relief in financial markets here early last week when Herr Hitler's speech to the Reichstag proved to be not the truculent outburst that had been expected but on the whole a somewhat conciliatory declaration. At least it was so taken in Wall Street and by the country at large. In these days opportunities for optimism are not so numerous that people can afford to let any of them go by. Only naturally, therefore, Herr Hitler's speech was seized on as an indication that eluding ambitions in Europe might yet be satisfied without actual recourse to war. In brief, the foreign "situation" had become definitely better.

It was perhaps because of this (cooperative) moderation of the Führer's speech that another episode of the week provoked surprise rather than alarm. This was the President's meeting with the Senate Military Affairs Committee and the aftermath of that meeting. Exactly what took place at the conference is not yet clear, for the Senators who attended it were pledged to secrecy, but it is agreed that the President expressed grave concern over the European situation and explained on the ground of America's necessity his Administration's reasons for making smooth the way for Britain's and France's purchases of military aircraft in this country. Thus far the White House conference seems not to have had the effect that the President apparently expected, but indeed quite a different one. Instead of convincing his hearers that the Administration's encouragement of European democracies was a far-sighted move for the protection of the United States, he seems to have aroused - in some of them at least - a fear that he was about to abandon the traditional neutrality of this country even at the risk of involving the country in war.

CALM MARKETS

Although it was widely believed that the President had told the Senators that the European situation, so far as the United States was concerned, was much more serious than was generally imagined, his unexpected anxiety did not communicate itself to the public. The market remained calm, and the financial markets remained calm with it. Prices of shares even advanced.



G. RICHMOND TERRACE,
WHITEHALL,
LONDON, S. W. I.

COMMONWEALTH OF AUSTRALIA.
CONFIDENTIAL DEPARTMENT OF EXTERNAL AFFAIRS.

S.6364

Air mail - 3.2.39.
Due to arrive - 13.2.39.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

FRANCE
Relations with the United States

A short debate took place on 31st January in the Chamber of Deputies regarding the purchase by the French Government of aircraft from the United States, in the course of which a Communist deputy criticised these orders on the ground that such action would do nothing to maintain the franc or reduce unemployment; a "moderate" deputy protested that too much confidence was being placed in foreign machines.

The Minister for Air sharply defended the purchases, and took the opportunity to state that they were fully approved of in America, and to express his thanks to the great American democracy and to its leader, President Roosevelt, for having only thought of helping France. He had given a priority of orders to French industry, M. Guy La Chambre continued, but events abroad had compelled the Government to turn to foreign countries. The very best guarantees had been obtained as to the reliability of the aircraft, and he was perfectly prepared to take the responsibility for any risks which might be involved.

Finally, M. Guy La Chambre declared that the best answer to those who said that the Government had no air policy was the French aircraft production figures: by the evening of 30th January the number of military aircraft produced during that month was more than 80; by the evening of 31st January, he thought, the figure would reach 100.

Reped Stirling

Copy to DEFENCE.inf.
22.2.39



2, WHITEHALL GARDENS,
LONDON, S. W. 1.

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.

R.227.

Air Mail - 12.1.38.
Due to Arrive - 26.1.38.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

FRANCE.

Relations with United States.

I enclose herewith ^{a report} an article from The Times of
12th January, 1938, dealing with the appointment of a new
French Ambassador to the United States.

Alfred Stirling

*Mr
J*

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THE TIMES. 12th JANUARY, 1938.

**NEW FRENCH AMBASSADOR
TO U.S.**

FROM OUR OWN CORRESPONDENT

PARIS, JAN. 11

M. de Saint-Quentin was to-day appointed French Ambassador in Washington.

In September, 1936, M. de Saint-Quentin was appointed Ambassador in Rome, but was unable to take up the post because the Italian Government insisted that his Letters of Credence to the King of Italy should include the title of the Emperor of Abyssinia. He, therefore, continued to direct the African and Levant Section of the Foreign Ministry, a post he had held since 1926. M. de Saint-Quentin was born in 1883. He is a commander of the Legion of Honour.



2, WHITEHALL GARDENS,
LONDON, S. W. 1.

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.

CONFIDENTIAL

S.3430

Air mail - 12.2.37.
Due to arrive - 25.2.37.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

FRANCE

Internal
Situation

In continuation of S.3413, the anniversary of the riots of February 6th, 1934, was celebrated peacefully in Paris during the week-end. The discipline and order displayed, and the absence of any incidents, seem to provide further evidence of the subsidence of political passion in the country during the last few months.

Relations
with U. S. A.

2. With reference to S.3347, M. Bonnet, in a statement to the Press before leaving Paris for Washington, said that there was complete agreement between him and MM. Blum and Delbos, with whom he had had several conversations, on the various problems concerning France and the United States of America. He had also seen the United States Ambassador in Paris and his six months' mission to the United States was clearly defined. There was no question of his searching for any financial assistance for the French State; his task was to continue the work of economic and monetary collaboration so happily set on foot between the two countries. This work would include negotiations for the renewal of the treaty of commerce, which he had signed as Minister of Commerce in M. Sarraut's Cabinet and which would expire on July 1st next, and collaboration with regard to the tripartite monetary agreement of September last, to which France remained firmly attached and which had enabled France to maintain the desired exchange stability. The commercial treaty, the monetary agreement and the declarations of responsible statesmen in the United States, Great Britain and France marked clearly the desire of these three countries to attain prosperity by and in the system of free exchange and free circulation of capital. It was this policy, supported by the three Governments, and to which it was to be hoped other countries anxious for their prosperity would rally, that he would pursue in Washington.

Kelli Grier

Jan



2, WHITEHALL GARDENS,
LONDON, S. W. 1.

CONFIDENTIAL

COMMONWEALTH OF AUSTRALIA,
DEPARTMENT OF EXTERNAL AFFAIRS.

S.3347

Air mail - 29.1.37.
Due to arrive - 11.2.37.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

U. S. A.
Relations with France

M. Georges Bonnet has been appointed French Ambassador at Washington in succession to M. de Laboulaye, who is retiring. It is reported that M. Bonnet has only accepted the mission for six months, as he could not absent himself for longer without resigning his seat in the Chamber. His political career in France, in the course of which he has held the Ministries of Finance, Pensions, Commerce and Public Works, has led to the assumption that he is to be charged with carrying out a policy of economic rapprochement between France and the United States. The British Ambassador at Paris has, however, been assured by M. Delbos that M. Bonnet has no mission to discuss the French war debt to the United States⁽¹⁾.

(1) See S.3142.

8 JUN 1936

CONFIDENTIAL

S.2207

Air mail - 22.5.36.
Due to arrive - 4. 6.36.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA

FRANCE
Internal Situation

In continuation of S.2168, the new Chamber will sit for the first time on June 1st. Following the decision of the Communist Party not to participate in the new Ministry the Confédération Générale du Travail will limit its support of M. Blum's Government to co-operation through the medium of technical organisations and will not participate directly. The permanent bureau of the executive committee of the Radical Party decided to recommend to the Executive Committee the acceptance of the principle of participation in the new Government.

2. On 15th May M. Blum made two important political pronouncements. First, speaking at a luncheon given in his honour by the American Club, after observing that whilst it was still possible for him to do so he would speak quite freely and as a private citizen, declared that the Socialists were in favour of peace with all nations, whatever their form of government. They did not, as their predecessors of 1792 and 1848 had done, believe in war as a means of liberation or as an instrument of revolution. It would be quite wrong to suppose that they intended to drive France into war in the hope of avenging their oppressed comrades in other countries or of overthrowing a régime of which they disapproved. He then spoke of the many bonds which united France and the United States and concluded with a reference to the French debt to America. It was, he said, essential that the misunderstanding on this subject which existed between the two countries should be dispelled. This could only be done if the problem were dealt with in a frank and straightforward manner. While American opinion had failed to grasp the indissoluble connexion which in French minds existed between the principle of German payments to France and of French payments to the United States, French opinion had not understood how deeply the repudiation by France of her financial obligations had shocked the moral sense of the Americans. For them if not for the French the problem still existed. It had left a definite mark on opinion in the United States.

3. The second speech was made to a largely attended mass meeting held by the Socialist Party to celebrate their victory and that of the Front Populaire at the recent elections. M. Blum, after declaring that the Socialists would continue to co-operate with the Communists whatever the latter's attitude might be towards participation in the new Government, went on to say that the victory at the elections

had lain not so much with the Socialist Party as with the Front Populaire and that the Government formed by the Socialists would be a Front Populaire Government. Their programme, which consisted of the defence of liberty and the preservation of the peace, was not outside the capitalist system. They would work within the framework of capitalist society and it would be on these lines that they would strive to bring about the establishment of a Socialist régime.

Relations
with U.S.A.

4. The British Ambassador understands that M. Blum's principal motive for bringing up the question of the Debt was a desire to improve the opinion held of him in the United States, where he is regarded as having been to a large extent responsible for M. Herriot's fall over the question of the token payment on the American Debt in December, 1932. It will be recalled that, although M. Blum himself was believed to be in favour of payment, the Socialist Party of which he was the undisputed leader nevertheless withheld their support at the critical moment from M. Herriot, thus deciding the fate of the Government. His reference to the Debt is taken by many as an indication of his willingness to allow the question to be taken up afresh with the United States Government. It is also regarded as furnishing further ground for supposing that M. Herriot will in the end allow himself to be persuaded to go to the *quai d'Orsay*.



OCT 10 1932

BRITISH EMBASSY,
WASHINGTON, D.C.
August 26th, 1932.

FORWARDED WITH THE COMPLIMENTS
OF THE BRITISH EMBASSY.

Copy of Embassy despatch to the
Foreign Office, No. 1295 (C. 48)
of August 25th, 1932.

The Prime Minister of Australia,
c/o The Dominions Office,
London.

JHM:EG

12
BRITISH EMBASSY,

WASHINGTON, D. C.

August 25th, 1932.

NO. 1295 (C. 48)

Sir,

With reference to my despatch No. 391 (C. 48) of April 21st, and to previous correspondence on the subject of Franco-American commercial relations, I have the honour to report that, according to the New York Times, the United States Ambassador in Paris will shortly initiate formal negotiations for a commercial treaty.

2. It is reported that one of the most important topics of discussion will be a demand by France for adequate protection for her goods on importation into the United States. France has long complained that models of French gowns are purchased singly and copied en masse in the United States. Attempts to meet this situation by extending the copyright laws to the designs in question have failed of effect heretofore. There is also a French contention that certain patent medicines of French origin are unjustly excluded from the United States on the grounds that they contain relatively high alcoholic or narcotic contents.

3. On the other hand, these French demands will be countered by American insistence upon some satisfactory arrangement of the quota system as applied to

/American

The Right Honourable

Sir John Simon, G.C.S.I., K.C.V.O.,

etc., etc., etc.

167

- 2 -

American imports into France.

4. The modus vivendi which has governed Franco-American commercial relations since 1927 has proved unsatisfactory to both countries and this fact has given impetus to the present move for the conclusion of a commercial treaty.

5. I am sending copies of this despatch to the High Commissioner for the United Kingdom in Canada, to the Prime Minister of Australia, c/o The Dominions Office, and to the Department of Overseas Trade.

I have the honour to be,
with the highest respect,

Sir,

Your most obedient,
humble servant,

(Sgd.) D. G. OSBORNE

H. M. Minister.

JHM:EG

R/s France
CWEALTH EXTERNAL AFFAIRS DEPT. Rel and USA
Outing from the TIMES of
24 8. 32

FRANCO-AMERICAN TRADE

TARIFF NEGOTIATIONS

FROM OUR OWN CORRESPONDENT

PARIS, AUG. 23

Although the Franco-American trade discussions have now reached the stage of meetings between the experts of the two countries, negotiations are likely to prove long and arduous before agreement is reached.

Apart from any questions of detail, the fundamental differences between the French and American conceptions of a tariff system provide an obstacle of the first magnitude. On the American side there has been hitherto a system of protection devoid of provision for concessions to individual countries, though furnished with means of retaliating against them where discrimination is applied to American goods.

In France—setting aside quotas for the moment—the system has expressly been designed to allow for separate arrangements and bargains with other countries. It takes the form of a general tariff and a minimum tariff, the latter accorded where French exports have received advantageous treatment. It is upon this conflict of tariff theory and practice that previous attempts at Franco-American agreement have foundered.

Trade continued, it is true, but many French products, such as cosmetics, perfumes, and other luxury goods, had the lion's share of the American market in spite of the high duties prevailing. Moreover, although the visible balance of trade was plainly in favour of the United States, it was greatly reduced by the large sums spent by American tourists in French liners and in France.

Now the visible balance of trade can be taken as being inconveniently near, in French eyes, to the actual balance. For the first seven months of the current year, in spite of the quota system, exports from the United States to this country amounted to 1,716,000,000f. (£13,722,000 gold), as against French exports to the United States of 535,500,000f. (£4,284,000).

Plainly it would be to the French advantage if trade exchanges between the two countries could be improved, and the French Government is certainly anxious to achieve an equitable agreement if possible. Yet the negotiations owe their inception to a memorandum requesting that they be opened, transmitted to M. Herriot by Mr. Edge, the United States Ambassador here, on his return from the United States some two weeks ago.

One of the principal features of the memorandum was a complaint against certain agreements with other countries, which, it was alleged, amounted to discrimination against American goods. The American theory is in fact that any country which does not give American goods most-favoured-nation treatment is guilty of discrimination against them. And the United States offers in exchange a treatment by which all goods get over their high tariff barrier on the same terms.

Whether there will be any modification in American policy remains to be seen. Much can be done, it is true, by reducing the duties on goods which represent the principal French exports to the United States and such concessions as are referred to by your Washington Correspondent. But if the proposed agreement goes no farther than modifications of detail, its scope is likely to be limited, particularly as the French principle of reciprocity seems to be held as firmly as ever.

SECRET

AS THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST BE PARAPHRASED IF
QUOTED IN ANY WAY.

End on 2273

From the British Ambassador at Paris to the Secretary of State
for Foreign Affairs, dated 5th November, 1931.

I saw M. Laval this morning, who gave me an account of his visit to Washington.

2. He told me that in his conversations with President Hoover they had touched upon nearly all the questions which are now occupying the attention of the world, and that he had been agreeably surprised to discover in the President an amount of sympathy and feeling which were carefully concealed by his somewhat cold appearance.

3. As regards the Washington communiqué, M. Laval wished you to know that both he and the President had hesitated a little to mention the gold standard for fear of appearing to dictate to us, but their reluctance had been overcome by their conviction that such a declaration in favour of the standard would contribute to quiet public opinion.

4. The paragraph referring to debt settlements and reparations had been so worded as to soothe the susceptibilities of Germany. They had therefore decided to mention generally European Powers instead of singling out Germany.

5. In the course of these conversations, President Hoover had pressed him very strongly to find out what our intentions were as regards stabilisation, and all M. Laval had been able to do was to repeat to him what you had told him during your stay here, namely, that you would have to be guided very much by events before coming to a decision. They had both agreed that the sooner events allowed His Majesty's Government to come to a decision the better for the world.

6. M. Laval emphasised strongly the importance he attached to the contribution made by America by consenting to throw debts into the pool for the resettlement of European conditions. America had so far never officially agreed to do so, and he thought that this was a very material contribution she had made. Mr. Hoover had agreed with him that if a European solution could be found for reparations, the American contribution would be a debt settlement.

7. In order to lose no time, M. Laval had at once sent for the German Ambassador and told him that if his Government would apply under the Young plan for the appointment of a commission of enquiry into the paying capacity of Germany, France would accept such a proposal and urge an immediate meeting. He had also agreed that such an enquiry could be undertaken in the light of the

1/2 2 JAN 1932

general German liabilities and of the world financial situation. M. Laval intended that, as soon as the report of this committee had been received, the Government should meet in conference in order to discuss it, and then to review the whole world situation.

8. As regards security, M. Laval had been encouraged by Americans to broach the question in his first meeting with President Hoover, and he had accordingly endeavoured to explain to him the French attitude by calling attention to the fact that though France had been frequently the victim of attacks during this and the last century, she had not developed the kind of war mentality which he would find in Germany and Italy, where Hitlerites and Fascists were promoting and cultivating an aggressive war spirit. On the contrary, in France he would find a public opinion strongly wedded to peace, a Constitution which made it impossible for the Government to commit the country to war, and a determination to confine her armaments to measures of defence. He was agreeably surprised to find that the President accepted his description, and this enabled him to say to the President: "It lies with you to stop war by a simple declaration that America will always be found opposed to the aggressor. The best way to give expression to such a policy would be for America to join in a consultative pact and reconsider her attitude on the freedom of the seas".

9. Mr. Hoover had replied that public opinion in his country was not yet sufficiently advanced to make such a general declaration, but that America, as in the past, would always be found siding against the aggressor. On the whole M. Laval gathered the impression that the American attitude of aloofness from European entanglements was not as rigid as it has been in the past.

10. M. Laval added that he had enjoyed his conversations with Senator Borah, whose influence in his country he thought should not be under-estimated. His conversations with the Senator had been very frank, and had led to the establishment of very friendly personal relations. It was reported to him that before his departure Senator Borah informed the French journalists that he had been much impressed by his conversations with M. Laval, and that he hoped very much to have an opportunity in which he could show his sympathy for France and be of service to her.

DEC 15 1931



Confidential

BRITISH EMBASSY,
WASHINGTON, D.C.
29th October, 1931

WITH THE COMPLIMENTS OF
H. M. AMBASSADOR

The Prime Minister of the
Commonwealth of Australia,
c/o The Dominions Office,
London, S.W.

Kg.

18 JAN 1932

PPS
1/32 for K.O.

No. 1687

CONFIDENTIAL

BRITISH EMBASSY

WASHINGTON, D.C.

27th October, 1931

My Lord,

I have the honour to report that the programme arranged for Monsieur Laval's visit to this country, described in Mr. Osborne's despatch No. 1606 of October 15th, was faithfully adhered to, except that he left Washington on the night of the 28th instead of the morning of the 26th and, after a day of sight-seeing in New York, sailed on the night of the 26th. The Premier's activities conformed to the best traditions of American "hustle". During his five days in the country he never slept twice under the same roof. He posted from house to house, and from interview to interview, in a cloud of press correspondents, indefatigable and imperturbable, smoking innumerable cigarettes, endearing himself to the journalists by his accessibility and, according to Mr. Stimson, to his official hosts by his practical commonsense, understanding and frankness. There is no doubt that his personality appealed to the country or that his visit was a personal as well as a diplomatic success.

2. From his speech at his official welcome on arrival in New York, (Enclosure 1.) it would appear that he nourished some hope of an American guarantee of French security - "Governments and peoples should understand that security cannot be expressed merely in words of hope; it should be organized. If France and the United States can agree and unite in an ever

increasing/

The Most Honourable

The Marquess of Reading, G.C.B., G.C.S.I.,

Etc. etc. etc

increasing cooperation we may look forward to better things". But this hope did not survive his conversation with the President on the following day. Both of them were thereafter chiefly anxious to dispel unwarranted expectations of concrete results, as may be seen from their joint statement issued after the meeting (see Enclosure 2). While the discussions were proceeding at the White House on the 23rd Senator Borah was receiving the French journalists at their particular request. I had the honour to forward a copy of the record of the interview in my despatch No. 1608 of October 24th. It so impressed the journalists that they hastened to the White House to inform Monsieur Laval, who expressed himself in the sense reported in the last sentence of my above-mentioned despatch. But this comment was intended only to appease his compatriots and to dissuade them from telegraphing in too indignant terms to Paris. It was not intended to appear in the American press as an official statement, as actually occurred. Monsieur Laval thereupon issued another statement (see Enclosure 3) for the purpose of amicably liquidating the incident. He subsequently met the Senator at Mr. Stimson's house and they had a long talk in which, in the friendliest way, they agreed to disagree on most points. I am not forwarding copies of the joint communique published on the 25th since you will have seen it in the press. Monsieur Laval's final words to
America/

America will be found in his speech (Enclosure 4) at the dinner given in his honour at New York prior to his departure. "Henceforth," he declared, "we know where we stand, we know what we want, we know what we can expect and what may be expected of us."

3. Pertinax' articles in the Baltimore "Sun" may be taken as an index of French sentiment in regard to the visit. The first complained of the lack of warmth in New York's reception of the President of the Council and was inspired by the gloomiest apprehensions as to the results of the visit. That which appeared on the morning of the 26th, after the joint official statement had appeared, was discreetly exultant. Meanwhile the less cynical and outspoken American correspondents were left extracting what comfort they could from the establishment of personal contact between Mr. Hoover and Monsieur Laval and the promised suspension of gold exports. Indeed Monsieur Laval may return well pleased with himself. Mr. Hoover (who has run true to form in executing a movement to the rear) has been told that if he will not come into Europe as a guarantor of French security and the Treaties, he had better keep out. American rejection of a consultative pact, as the alternative to a guarantee of French security, will probably be philosophically accepted in France as averting the possibility of American interference in European questions in which France is now assured a free hand.

Monsieur/

Monsieur Laval has once more successfully exploited the nervousness of the French investor, leading to admittedly regrettable but professedly uncontrollable runs on foreign currencies, to bring the United States to reason and to heel. That is to say, he has undertaken, as it appears, to put a stop to the drain of gold from New York to Paris. In return he has secured a free hand to deal with Europe in general, and, in particular, the subordination of debt revision to an accommodation of reparations satisfactory to France as well as American recognition of the sanctity of the Young Plan. It is to be noted that the joint communique states that some post-moratorium agreement regarding inter-Governmental obligations may be necessary "covering the period of business depression". This, taken in conjunction with the announced determination to uphold the gold standard, would seem to imply that the two countries, not content with bolstering up their gold stocks, intend to add to them to the ultimate capacity of their debtors. As regards disarmament, the French victory is complete, to the point that, as Fertinax points out with justifiable pride, the relevant paragraph in the joint communique is a simple paraphrase of the concluding paragraph of the French Memorandum to the League of Nations. Monsieur Laval's American booty also includes an agreement between the Bank of France and the Federal Reserve Board regarding exchange, the provisions/

provisions of which are not yet available, and the contemplated purchase at a very advantageous price of some of the Farm Board's stocks of wheat and cotton. He has even contrived to turn Senator Borah to account. Brushing aside the Senator's opinions on the injustices of the Treaty of Versailles, Monsieur Laval qualifies his admission of the right of France to use her judgment about disarmament and to receive the unconditional annuities as a friendly endorsement of cardinal principles of French policy.

4. It would be interesting to know how Mr. Hoover feels about it all. As I reported in my telegram No. 859 of October 23rd he recently rather pettishly enquired of a pacifist-internationalist visitor: "What's he coming for anyway?". One American paper specifically, and many implicitly, have admitted a French diplomatic victory, although that same paper concludes its editorial: "Europe cannot survive with France sitting on her neck any more than Europe could have survived German mastery". But Mr. Hoover's primary preoccupation is with America, not with Europe, and on America's behalf he has stayed the gold leakage and refused a guarantee of French security with all its implications. He has followed the line of least resistance, the traditional, isolationist policy of his country, and has declined the opportunity of world leadership. His charity begins, and stays, at home, not from want of understanding, nor even perhaps of sympathy, but from sheer incapacity for the bigger role. He has surrendered to France the initiative in the readjustment/

readjustment of inter-Governmental debts and has adroitly contrived to unload onto Congress the responsibility for eventual revision of the European payments to the United States. He has successfully evaded all commitments and dismissed questions of principle, such as disarmament, with a benign but ambiguous gesture. In short he has pursued caution and compromise to their logical, inglorious conclusion.

5. In my above mentioned telegram I took occasion to warn you against hoping too much from the visit. I admit that the paucity of results has even exceeded my modest expectations. Perhaps it was unwise to hope for any general benefit from the collaboration of the two countries and their spokesmen. The latter, and more particularly the President of the United States, are politicians rather than statesmen and electoral exigencies are their primary consideration. And there is much in common between the two countries. Both are strongly nationalist and highly protectionist, more self-contained and economically self-sufficient than others; both are more sensitive to practical and material considerations than to enlightened but unremunerative altruism. And circumstances have recently combined to elevate them both to a position of political eminence and financial power to which they are unused. In these circumstances it is perhaps not surprising that their first care should be to guard themselves from the fate that has overtaken their less fortunate neighbours, and their second to promote their own particular interests. The fact that
their/

their salvation probably depends on that of others is not recognized, or at any rate cannot be admitted. It only remains to hope, then, that Monsieur Leval's personal success, and the mutual understanding of reciprocal interests that is said to have been achieved, may prove of ultimate benefit to the world in general.

6. I am sending a copy of this despatch to the High Commissioner for the United Kingdom in Canada and a copy to the Prime Minister of Australia, care of the Dominions Office.

I have the honour to be,

with the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(Sgd) H. C. Lindsey

Text of Premier Laval's Speech

The text, translated from the French, of Premier Laval's address at City Hall yesterday follows:

Mayor Walker, you are at the head of the largest city in the world. As I look at these mighty buildings, as I note the busy traffic in your streets, as I grasp the magnificent spectacle which New York offers, I am struck with admiration at the force of your great nation and the disciplined freedom of its inhabitants.

The confidence which the city of New York has placed in you is a tribute of which you, as an American, may well be proud.

I come from Europe, the representative of a nation with a long and noble past, to confer with the President of a great and free people.

It would suffice for me to evoke memories of our common history to receive a friendly welcome, but today I fully well realize that the people greet me, the head of the French Government, as a messenger of peace.

From Paris to London, from London to Berlin, from Berlin to Washington is a pilgrimage among the capitals which differs from the traditional methods of diplomacy. This must be accounted for by the fact that new duties are imposed on those responsible for government as a result of the crisis which unsettles the world and undermines the morale of nations.

France was deeply touched when President Hoover invited me to visit him. She realized that this gesture was not alone the expression of an old and tried friendship between our great democracies but that the American Government had turned to her because in the midst of widespread disturbance she remained sound.

If you should travel through our country side, if you should visit our farms, if you could better know the hard and patient labor of our farmers, you would understand France. You would become convinced that she has preserved her robust constitution through hard work and the ability to save.

Whether it be our workmen or our artisans—they are guided by the same ancestral spirit. They have the qualities which make our ancient land a harmonious and well-balanced whole.

Moreover, this sense of balance shields us from the absurd accusation that is sometimes directed against us that we seek to exercise any form of domination in Europe. France is peace loving. Our history, our past both impose

prudence. We do not wish to impinge in the slightest degree upon the dignity of any other nation. Our only desire is peace. But we set great store by our security. Governments and peoples should understand that security cannot be expressed merely in words of hope. It should be organized. If France and the United States can agree and unite in an ever increasing cooperation we may look forward to better things.

I am aware of your position. I know the aspiration of the American people to be self-contained. It is a noble ideal for a country like yours, strong, rich in experience which has enabled it to progress and to succeed.

But progress itself which has never been more devotedly served than in the warm hearts of the American people, by reducing and suppressing distances between continents, by amalgamating the interests of all nations, has laid down a new doctrine and imposed new duties.

You know how to put international solidarity into practice in the most generous way and you have many times proved it. You represent a civilization which has given material and moral well-being to the greatest number. You have thus realized the highest ideal which can inspire governmental activity. But a grave crisis has arisen which has interrupted your development, as well as that of other countries.

In a world torn with doubt, our two great democracies together must search for and apply methods which will restore calm and re-establish equilibrium.

It is through an affirmation of faith and confidence that I desire to come into contact with the American people. I know their enthusiasm. I know that they are capable of generous impulses. Combining their deep sense of reality with their noble idealism they will respond if necessary to calls which may reach them from the old world.

I speak in the name of a country which is determined to join its efforts with yours to ward off the dangers which menace our civilization.

In greeting you, Mayor Walker, and in thanking you for the cordial reception which the people of New York have accorded me, I have the tenacity to believe that my first words, direct and frank, will be interpreted as a tribute to the understanding and the open-mindedness of the great American people.

***Text of the Statement by Hoover and Laval
As to the Nature of Their Conversations***

Special to The New York Times.

WASHINGTON, Oct. 23.—The following statement was issued tonight by the White House:

Both the President and Premier Laval wish it made clear that the conversations upon which they are engaged are solely in respect of such policies as each of the two governments can develop to expedite recovery from the world economic depression.

There is no remote basis whatever for statements as to "demands," "terms of settlement" or any other like discussions.

Happily there are no controversies to be settled between France and America. None such exist.

The sole purpose of these conversations is the earnest, frank exchange of views with a view to finding common ground for helpful action in the promotion of constructive progress in the world.

BAITIMORY SUN OCT 25 1931.

Laval Makes Reply To Borah

[Washington Bureau of The Sun]

Washington, Oct. 24—In answer to questions M. Laval made the following reply today to Senator Borah:

I wish to avoid any misunderstanding over polemics. The position of France regarding its right to reparations and regarding security has been so often and so exactly described that I do not judge it opportune or useful to repeat it here. But each time that the true basis of our rights in this respect is recognized I can only declare myself pleased and satisfied. That portion of Senator Borah's statement which took that position is the only one I can indorse.

TEXT OF LAVAL'S ADDRESS.

M. Laval said:

I could not leave the United States without welcoming my compatriots and I thank the French Chamber of Commerce as well as the central committee of the French societies for having organized this banquet.

You have given me an opportunity before I sail for France to express my gratitude to the people of the United States, to their government and to its head, President Hoover.

I have been accorded a most heartfelt welcome and I now know the spontaneity, the thoughtfulness and charm of American hospitality. I thoroughly understand your affection for this country because during my brief stay here I have been profoundly conscious of its power of attraction.

Ideal Is to Protect Homes.

I have just completed an important mission. In accepting President Hoover's invitation so soon after the meeting in London and Berlin, I have fulfilled one of the most important responsibilities of my position. The duty of statesmen is to neglect no practical method of cooperation for the com-

mon good—as we declared yesterday in Washington. While respecting their national traditions and laws, they should seek means to protect every home against poverty and our civilization against the dangers to which it is exposed.

This is the ideal which guided us during our conversations. We fixed no program; we drafted no protocol; we were animated by the mutual desire to examine thoroughly, in the course of a free and frank discussion, the various problems which the present crisis raises.

Our effort has not been in vain. We have come to know one another better. Our countries are far apart, separated by a vast ocean. Our democracies have not the same constitutional basis. Our political traditions, often differing, suffice to explain certain misunderstandings which from time to time have grown up between us. Henceforth we know where we stand, we know what we want, we know what we can expect and what may be expected of us.

Cooperation between our two countries will thus become closer, since our governments will have a clearer understanding of their respective interests and their common duties. Thus, even if the conversations in Washington had had no other results, they would have fulfilled great hopes. This is the moral benefit of our meeting.

Expresses His Satisfaction.

But we have accomplished more, by seeking the most constructive methods for restoring economic stability and confidence we have done our duty in the cause of international solidarity.

You will appreciate, I am sure, that on this occasion I cannot comment further on the scope and results of our conversations. I desire first fully to inform the government of my country. But here and now I wish to express my satisfaction with the results.

In carrying out this policy of international cooperation, of which my visit with M. Briand to Berlin was an important step—I am serving, I am sure, the cause of peace without sacrificing the fundamental interests of France.

I am highly privileged to speak these words here in New York, in the presence of Marshal Pétain, one of our most illustrious soldiers. France is devoted to a peace which must depend on the organization of security. The imposing celebration at Yorktown has revived glorious memories. You have here tonight the descendants of those illustrious warriors who served a great cause and whose names are the common heritage of our two countries. The traditional friendship which unites France and the United States could not be better emphasized.

Grateful for Friendliness.

To the American citizens whose presence here is a token of their unalterably friendly feelings for my country, I express my deepest gratitude.

To you, my dear fellow countrymen, who maintain the truest French traditions and who make our country well liked, I, as head of the French Government, desire to extend my congratulations and

to assure you of my constant interest.

To the Hon. William Castle, whom I am happy to greet before I leave America, I desire to say how greatly I have been touched by the many kindnesses which have been so generously shown me. I hope that he will again assure the Secretary of State, Mr. Stimson, of my sincere friendship, and I beg him to convey to President Hoover, who welcomed me so cordially, my deepest appreciation and the definite assurance that the memory of my visit will endure.



OFFICE OF THE HIGH COMMISSIONER
FOR THE
COMMONWEALTH OF AUSTRALIA
DEPARTMENT OF EXTERNAL AFFAIRS,
2, WHITEHALL GARDENS,
LONDON, S.W.1.

SECRET

5th November, 1931.
(Due to arrive Canberra 7.12.31).

LON.2269.

MEMORANDUM TO:-

The Secretary,
Prime Minister's Department,
(External Affairs),
CANBERRA.

*See FRANCE
Re with USA*

(5) (6)

VISIT OF M. LAVAL TO AMERICA.

Following on my LON.2262 and LON.2265 of 29th October, I enclose copy of a telegram from the British Ambassador at Paris to the Secretary of State for Foreign Affairs dated 28.10.31.

A
Germany
Reparation

The results of the conversations which took place between the French and United States Ministers between the 22nd October and the 25th October, so far as reparations and war debts are concerned, are reflected in the following paragraph of the published communiqué:-

"In so far as inter-governmental obligations are concerned, we recognise that, prior to the expiration of the Hoover year of postponement, some agreement regarding them may be necessary, covering the period of business depression, as to the terms and conditions of which the two Governments make all reservations. The initiative in this matter should be taken at an early date by the European Powers principally concerned, within the framework of agreements existing prior to the 1st July, 1931".

It seems clear, in fact, that the actual outcome of the conversations will be an invitation from the French to the German Government to declare a moratorium under the Young Plan. Such a moratorium would run for 2 years, would apply to the conditional annuities only, and would imply the full restoration of the Young Plan at the end of the moratorium.

I considered it advisable to inform the Official Secretary and Financial Adviser at Australia House of the above, showing him a secret document in support, and I understand that he has cabled the salient points to the Prime Minister.

So far as Germany's short term debts are concerned, you will have noticed from the copies of telegrams attached to LON.2262 that the German Ambassador

V
9 DEC 1931

in London has left at the Foreign Office a memorandum analysing the position in regard to outstanding German foreign indebtedness and pointing out that Germany would not be able to repay her short term debts on the expiry of the "Standstill" agreement on 29th February next. The German Ambassador intimated that a similar memorandum was being sent to the German representatives at the other interested capitals.

Disarmament

As regards disarmament, M. Laval when at Washington held quite unbendingly to the French attitude of no disarmament without security, and as the United States was unable to hold out any prospect of making any contribution to security in Europe, no progress was made on this subject.

Gold

As regards gold, Mr. Stimson has informed the British Ambassador at Washington that it was agreed with M. Laval that both France and America should maintain the gold standard and give such help as might be possible to other countries desirous of returning to it.

See B

During the visit of M. Laval to Washington, Senator Borah, the Chairman of the Foreign Relations Committee of the Senate, made some remarkably outspoken comments to a gathering of French and American journalists. The Senator advised the revision of the Treaty of Versailles, instancing in particular the Polish Corridor, Hungary, and Upper Silesia. As to some guarantee of American intervention in the cause of peace, he declared: "I am not in favour of any intervention of any kind in any circumstances". His general views were summed up in the phrase: "This question of using force as a peace proposition has never appealed to me at all". When asked whether he would advocate the absolute cancellation of debts and reparations, he replied in the affirmative. Senator Borah's reference to the Polish Corridor has elicited a statement from the Polish Foreign Minister, in which he announced that his Government's attitude could be summarised as one of "absolute non possumus". The Polish Ambassador called on the Secretary of State on the 27th October and expressed the annoyance of his Government with Senator Borah's utterances. (In this respect attention is invited to the fourth paragraph of the telegram attached to LON.2262.)

McDuffy

A

AS THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST BE PARAPHRASED IF QUOTED IN ANY WAY.

Telegram from the British Ambassador at Paris to the Secretary of State for Foreign Affairs, dated 28.10.31.

II
The first impression created by M. Laval's visit to America is one of satisfaction that the French position as regards security and reparations remains unimpaired. It is said that for the first time a French Minister has returned from the United States without giving something away.

III
2. Satisfaction is also expressed respecting the decision to maintain the gold standard and that so far as the matter is known to have been discussed there was no conflict as regards the necessity of debt reductions thereby linking up the latter with reparations. To this, as your Lordship knows, the French attach great importance.

3. This impression corresponds with the outlook of the average man in the street in this country who, in view of the world crisis, considers that France must husband her resources and protect her security.

4. In parliamentary circles it is almost unanimously considered that this visit has been quite useless. The basis of agreement offers no solution for the political and economic problems that face Europe today. The gold standard is maintained for obviously France could not abandon it, and as for reparations, no one denies their legitimacy, but this recognition does not ensure their payment by Germany. In short, it is felt that M. Laval is returning empty-handed, though he has not abandoned anything and that is essential.

See B
5. Public opinion is reconciled to Senator Borah's outburst by his recognition of the French right to maintain armed forces as necessitated by French needs and of the French claim to reparation payments.

6. This admission will play into the hands of the Nationalists, who will be encouraged to maintain a rigid attitude on these two questions in the absence of any American assistance for the prevention of war.

7. It is obvious that the hands of both President Hoover and M. Laval were tied by considerations of internal politics; one thinking of his Senate and the other of his Chamber. This may account for the avoidance of all controversial questions in their negotiations.

8. I cannot help thinking, however, that the above appreciation of the Laval visit is not likely to last long.

9. There is an uneasy feeling abroad that all is not well in the State of Denmark and that the world crisis is beginning to affect French interests. Rumours, due to long-felt rise in cost of production enhanced by Great Britain's abandonment of gold standard, are prevalent of an agricultural as well as an industrial crisis owing to the fall in prices.

10. Moreover, events in Central Europe may move more rapidly than seems to have been anticipated last week at Washington. These again are likely to operate against the Franco-American aloofness and may force the hands of French and American Governments to tackle the present crisis by team work and not by the practice of isolation.

11. The somewhat negative outcome of this visit should not therefore be treated too seriously.

THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST BE PARAPHRASED
IF QUOTED IN ANY WAY.

Telegram from the British Ambassador at Berlin to the Secretary
of State for Foreign Affairs, dated 27.10.31.

I
I now learn that in reply to specific enquiries by the German Ambassador in Washington it was made clear, both by M. Laval and Mr. Stimson, that Germany would be expected to invoke special Advisory Committee in accordance with article 119 of the Young plan. An intimation to this effect will probably be conveyed to the German Ambassador in Paris so soon as M. Laval has discussed his visit with his Cabinet. German Government, in deciding their attitude, would be much assisted if they could ascertain the views of His Majesty's Government, and enquiries for this purpose may be expected from the German Embassy in London.

When above information was imparted, disappointment was again expressed that further investigation of German financial position should be thought necessary. Although I have not as yet said so, it seems to me, however, that enormous discrepancies between present German statements and those so recently made to the Bâle Committee would afford ample justification for any further enquiries which may be thought desirable.

B
"The United States Daily."
24th October, 1931.

Versailles Treaty Must Be Revised, States Mr. Borah

**Tells French Journalists
Change Is Necessary to
Relieve the World From
Economic Situation**

Territorial Division Is Declared Unjust

**Elimination of Reparations
And Cancellation of Debts
Are Advised; Recognition of
Soviet Russia Urged**

Senator Borah (Rep.), of Idaho, chairman of the Senate Committee on Foreign Relations, in an interview Oct. 23 with French correspondents said that he does not believe there can be disarmament in Europe until certain modifications of the Versailles Treaty can be agreed upon.

"I think there will be a change in the conditions in Europe," he said. "There must be a change in the Versailles Treaty regarding the Polish corridor, and the arbitrary division of Hungary into small parts."

Position of the League

There is no legal instrument with which the Treaty can be changed, however, according to the belief expressed by the Senator. The League of Nations cannot change the Treaty without the consent of the nations involved, he pointed out, but the nations in Europe do not seem ready to make the necessary change.

How far France should disarm, he said, is a problem for the French to decide.

It is possible to have peace by sheer force, he stated, but such peace is not based on contentment.

Economic Pressure

The use of economic pressure, Senator Borah declared, is tantamount today to a declaration of war. "Economic pressure can not stop war, except where it is applied to a weaker nation," he commented.

"Security," he said, "is essential to financial and commercial confidence, but the basis for this security is a sense of justice among the people of Europe as to boundaries."

Senator Borah expressed the belief that the question of debt settlement has a decided effect on the economic situation of the world. He said that if some arrangement could be arrived at concerning debt cancellation and reparations abandonment, there would be psychological reaction which would give considerable relief to the economic situation of the world.

Debt Cancellation

"I would recommend the cancellation of debts and reparations, as I believe they stand in the way of economic recovery," the Senator said.

He stated his belief that if reparations payments had been based on direct damages alone to the countries affected, the situation would not be so entangled. "Germany has paid a lot of indirect damages," he said.

"The time has passed for moratoriums," Mr. Borah said. "If economic relief would be attained quickly, cuts in the debt would be brought about instead of 'pushing back' the debt."

Political Problems

"I do not think this country can escape its present economic situation without taking Europe into consideration," he said. "There is a distinct relationship between economic and political issues and they must be considered in any big movement involving any two countries."

"The Versailles Treaty must be revised by peace or by force in order to gain relief from the present economic condition in the near future. We must cut out reparations, change the Polish corridor, and probably make a change in upper Silesia."

Senator Borah said he favors recognition of Soviet Russia, because until that country is recognized there will be no solution of the Russian question. The first step in that respect lies with the United States, he added.

Speaking of his impression of Premier Laval, Senator Borah made the following statement:

"I like him very much. He is direct, candid, and says what he thinks, and I think he is exceedingly able. I think his visit to this country will result in good, aside from the general effect which it will have, as every one who comes in contact with him likes him."

DEC 8 1931

BRITISH EMBASSY.
WASHINGTON, D.C.

FORWARDED WITH THE COMPLIMENTS
OF THE BRITISH EMBASSY.

The Prime Minister of Australia,
C/o Dominions Office,
London, S.W.1.

No. 1606.

BRITISH EMBASSY,
WASHINGTON, D.C.,
October 15th, 1931.

My Lord,

I have the honour to report that the Department of State announced on the 8th instant the programme for the visit of the French Premier to the United States. M. Laval, with six experts from the Quai d'Orsay and other French Ministries, will arrive in New York on October 22nd and will be met by the Secretary of State and the French Ambassador. After a reception by the Mayor of New York at the City Hall he will proceed to Washington, where he will be received by the President at 6 p.m. He will return to the White House for the official dinner in honour of the guests of the Yorktown Sesquicentennial Celebration and will spend the night at the Washington house of the United States Ambassador to France. On the morning of October 23rd, after visiting the Tomb of the Unknown Soldier, M. Laval will call upon the Secretary of State; he will take luncheon at the French Embassy and in the afternoon he will go to stay at the White House, where he will dine informally with the President. On October 24th he will take luncheon with the Secretary of the Treasury and in the afternoon will move to Woodley, the residence of Mr. and Mrs. Stimson. The morning of October 25th has been set aside for rest and informal conversation at

The Most Honourable

Woodley/

The Marquess of Reading, G.C.B., G.C.S.I.,

Etc., etc., etc.

Kg
8 DEC 1931

Woodley where in the afternoon there will be a garden party. After dining at the French Embassy M. Laval will return to Mr. Edge's house; he will leave for New York on October 26th and for France on the following day.

2. In announcing this programme the Department of State intimated to the press that there were no agenda for the conferences with M. Laval, which would be of an informal nature, and this has been confirmed in press reports from Paris. It was indicated that the attitude of the Administration to any proposals which he might bring with him would be open-minded; even the idea of a consultative pact to supplement the Multilateral Treaty for the Renunciation of War would be considered if the French Premier had it in mind. Disarmament and the International debt situation were foremost among the problems which the United States Administration had in mind to discuss with him.

3. Since the publication of the above programme speculation has been rife in the press as to the forthcoming discussions. "Pertinax", in an article published in the "Baltimore Sun", considers that on the French side emphasis will be laid on the importance of monetary, financial and economic problems, while the Americans will show a tendency to include political and territorial problems - even such as the Polish corridor. As for disarmament, M. Laval, while ready to admit the

need/

need for Franco-American discussion, doubts whether much progress can be made without Germany and Italy and is certain to resist any attempt at linking this question to that of war debts. On that subject his main object is to explore the attitude of the United States towards the security arrangement which France regards as so vital to the success of the disarmament conference. "Pertinax" comments on the fact that no representative of the political departments of the Quai d'Orsay, the Ministry of War or the Ministry of Marine will accompany M. Laval; the selection of the head of the judicial department of the Quai d'Orsay foreshadows, in his opinion, discussion of a supplementary clause to the Kellogg Pact.

4. American press correspondents have ranged over the whole field of international problems - war debts, reparations, consultative pacts, additions to the Kellogg Pact, disarmament and revision of the Treaty of Versailles - as possible, if not inevitable questions for discussion, in addition to financial and economic cooperation between the United States and France, based on the maintenance of the gold standard. I enclose an article by Mr. William Hard, published in the Washington "Sunday Star" of October 11th and other papers, which is as representative as any I have seen of the line taken by the more intelligent
and/

and better-informed writers in the American press. This line is, briefly, that the French Prime Minister wants to discuss first of all, the financial and monetary situation. (Mr. Hard adds that the French financial experts - M.M. Charles Farnier and Robert Lacour Gayet of the Banque de France who have already arrived in New York - will be greeted with trepidation as well as enthusiasm by American bankers, who are anxious as to the effect on the international economic situation of continued withdrawals of gold from New York to Paris). M. Laval will not be enthusiastic towards Mr. Hoover's proposals for the readjustment of war debts and reparations, which will favour Germany rather than France and he will stress the need for a political settlement between France and Germany as a prerequisite of any such scheme and also of any real progress in disarmament, M. Laval, say these journalists, has indicated more than once to the United States Government that the whole problem of Franco-German relations could be solved by a settlement of the Polish corridor question in a sense favourable to Germany, but with adequate compensation for Poland. Several correspondents assert that M. Laval has an "open mind" on this question and that Mr. Stimson was favourably impressed when in Europe this summer with the possibility of harmonizing Franco-German relations by its settlement. In order, however to obtain the support of French public opinion for such a settlement, M. Laval must be able to produce/

produce some adequate American guarantee of security against possible German aggression. Such a guarantee, the writers conclude, is out of the question, for the Senate would never accept even an extension of the moratorium, much less a revision of the war debts, if it were accompanied by any political entanglement of the United States in Europe. While the support of the United States Congress might be obtained for a scaling down of war debts, if accompanied by real reductions in armaments by European nations, France will not disarm or forego German reparations without a security guarantee - to which, if it is to be satisfactory, the United States must be a party in some form or other. To find a way out of this vicious circle will be no easy matter for Mr. Hoover and M. Laval.

5. The following statement regarding M. Laval's visit was issued yesterday by the Secretary of State:-

"Fear has apparently been expressed in some quarters of the French press that when Mr. Laval arrives here on his visit he will be presented by the President with a cut and dried proposal of some sort which he must either accept or reject. Nothing could be further from our thoughts.

"We have no intention of trying to impose upon Mr. Laval what he shall discuss during his visit. He is coming as our guest and we are only anxious to give him as such the utmost freedom of

selection/

selection in the topics which he may care to discuss with the President. Our hope is that he will feel free to bring up any and every matter which he desires, and that the discussion thereon shall be as frank and comprehensive as possible.

"We have no intention of imposing any program upon France or any other nation, but we feel that it is of the utmost importance that there should be a full and friendly interchange of views in order that France and the United States may have the most complete information as to each other's views. We feel that such information will be most helpful in working out our future cooperation."

6. Your Lordship's recent conversations in Paris have been welcomed for the most part in the American press, as a good augury for the future. "Pertinax", however, in the "Baltimore Sun" writes that they served to show that a wide gulf existed between British and French conceptions of financial and monetary problems.

7. No programme has yet been announced for the visit of the Italian Minister for Foreign Affairs to Washington early in November. The press assumes that disarmament - and particularly Signor Grandi's proposal for an arms truce - will be the main subject of his discussions with the

United /

United States Administration, but that debts and reparations will also be considered.

8. The press rejoices in the visits of foreign statesmen as final proof - if such were needed - that Washington is indeed the World Capital. The "New York Times" observes, in an editorial article headed "All Roads Lead to Washington" that the visits - not to mention the subjects which are considered likely to be discussed - make more than ever grotesque the parochial doctrine of isolation as the only policy for the United States. The "Washington Post" and its kind preen themselves on the assumption by the United States of world leadership, political, economic and financial, but show, unfortunately, little or no perception of the responsibility and understanding which that high position entails.

I have the honour to be

With the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(Sgd) D. G. Osborne.

What President and French Premier Are Likely to Discuss at Rapidan Camp

BY WILLIAM HARD.

Foreign affairs press upon Washington at this week end in a most bewildering confusion. The President started it all with his statement of last Wednesday morning to the effect that he intended to discuss with Prime Minister Laval of France "the question of such further arrangements as are imperative during the period of the depression in respect of intergovernmental debts." Since then almost everybody here seems internationally engaged in talking about debts, reparations, moratoriums, disarmament, consultative pacts, security pacts, implementations of the Kellogg-Briand peace pact, and suggested solutions even of the problem of the "Polish corridor."

It is perhaps the first time that any problem so strictly European as the "Polish corridor" has ever been the subject of official and unofficial conversations in Washington. The American national village on the Potomac talks today like the capital of the world. It talks also, however, in such circles and spirals and at such tangents that the actual prospective foreign policies of the country begin to wear the appearance of a cubist puzzle. The ensuing dispatch is an effort to find a track through the puzzle to a few plain answers.

In Paris a fortnight ago this writer was authoritatively informed that Prime Minister Laval's primary purpose in coming to the United States was to discuss economic and financial co-operation between the United States and France. This information is substantiated by the voyages now being made to the United States in great haste by Charles Farnier and Robert Lacour-Gayet, high officers of the Bank of France. They will be greeted with both enthusiasm and trepidation in New York City.

France has many hundreds of millions of dollars of gold and other assets in this country. Federal Reserve Board officials in Washington are concerned when they think of possible sudden withdrawals of that gold and of those assets from New York City to Paris. They remember the large continuous withdrawals of French gold from London to Paris in the period immediately preceding the British lapse from the gold standard. They are extremely eager to know what France intends to do with her tagged gold here now.

Five years ago we forgave France a large part of her debt to the United States Treasury because she was then so poor. Now we fear that an abrupt transfer overseas by her of her vast riches here might dislocate our international business situation. We can thus perceive that there will be a certain irony in the conferences which will take place between President Hoover and Prime Minister Laval on "the question of such further arrangements as are imperative during the period of the depression in respect of intergovernmental debts."

Prime Minister Laval cares little about discussing those debts. It is President Hoover who wants to discuss them. Prime Minister Laval knows the reason why President Hoover wants to discuss them. That is the very reason why Prime Minister Laval is indisposed to discuss them. The reason is German reparations and American existing loans and credits to Germany.

The French say: "We have been too wise to lend much money to Germany. The Americans have foolishly lent Germany a lot. The Americans want their interest."

The clear fact that emerges out of the situation is simply this:

Through having a direct interest now in the reduction of the burdens upon Germany, the Government at Washington has an indirect conversational interest in better relations between Germany and France and in the details of every device whereby those better relations may be furthered.

The administration realizes that the Senate would never accept any extension of the present international public debt holiday if it were accompanied by any political entanglements of the United States in Europe. Senator Borah has within a day made his attitude on this point even more explicit than it was before. His views may be faithfully paraphrased as follows:

"The Europeans should settle their political differences wholly among themselves. They should reduce German reparations down to a sum representing only the 'direct damage' done by the Germans to the allies. They should reduce armaments by 50 per cent. Then we should make an appropriate reduction of the sums owed by the allied governments to us. All these reductions should be permanent. Temporary postponements will not suffice. The postponed payments will merely accumulate into future unapproachable super-payments. What is needed is a permanent reduction all around. The Europeans, however, must take the lead in justifying the reductions. They must reduce their political differences and their German reparations and their armaments. Then, and then only, shall we have warrant for reducing their debts to us."

It can be stated that on the point of Europe's primary responsibility for itself this policy of Senator Borah's is not basically different from the policy intimated to newspaper correspondents several times lately by high officials in close touch with the White House. These officials have let it be known that President Hoover has frequently felt that further concessions on our part to the Europeans in the matter of debts would do no good to Europe until Europe's political and military conditions had been improved by Europe's own exertions.

It can be fairly safely guessed, accordingly, that President Hoover will in effect say to Prime Minister Laval: "What political and military readjustments can be made in Europe in return for additional American leniency in the collection of the debts owed to our Treasury?"

And it can be fairly safely guessed also that Prime Minister Laval will in effect reply:

"Just a minute! You want more trade in Europe. You want disarmament in Europe. Those things cannot be successfully achieved until there is political peace in Europe. Are you prepared to undertake to consult with us whenever Europe is threatened with war?"

It ought to take several days at the Rapidan or elsewhere for each of the statesmen to answer the question of the other.

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OFFICE OF THE HIGH COMMISSIONER
FOR THE
COMMONWEALTH OF AUSTRALIA
DEPARTMENT OF EXTERNAL AFFAIRS,
2, WHITEHALL GARDENS,
LONDON, S.W.1.

SECRET

29th October, 1931.
(Due to arrive Canberra 30.11.31.)

LON.2265.

MEMORANDUM TO:-

The Secretary,
Prime Minister's Department,
(External Affairs),
CANBERRA.

VISIT OF M. LAVAL TO AMERICA.

I enclose copy of a secret telegram from
the British Ambassador at Washington on the subject of
the above visit.

W. G. Murray

Ho
8 DEC 1931

SECRET

AS THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST
BE PARAPHRASED IF QUOTED IN ANY WAY.

From the British Ambassador at Washington to the Secretary
of State for Foreign Affairs, dated 26.10.31.

I assume text of joint Franco-American communiqué has been telegraphed to the press. Secretary of State today gave me the following further details of conversations with the French Prime Minister.

On disarmament the well-known French attitude was quite unbending, and as United States held out no prospect whatever of any concession on this side as regards contributing to European security, no progress on the general question was made.

On naval disarmament, Secretary of State had pressed the French Prime Minister very strongly to come to terms with the Italian Government. He said he had closely followed the controversy, and it was his considered opinion that as between France and Italy, it was the former who was in the wrong. French Prime Minister was not familiar with the details of the question and sheltered himself behind the absolutely uncompromising attitude of the Minister of Marine. Mr. Stimson urged him to overcome this opposition, saying that it was a case where Government and not any single Ministry must take responsibility of a decision, and M. Laval promised to look into the matter on his return. Secretary of State thinks, as regards this question, he has created some impression.

The President and the Secretary of State had urged M. Laval to do something about the frontiers of Central Europe. While making it clear that the United States Government was not departing from its traditional attitude of aloofness, they maintained that political unrest in those regions was at the root of all political and financial difficulties of the moment. No serious body of Germans called the western frontier in question, and none acquiesce in the eastern frontier. Latter was indefensible. M. Laval repeated to the Secretary of State the admission that he had made to him in July, that the Polish Corridor was a monstrosity, but he had since then made enquiries at Warsaw and the Polish Government had said they would rather have war than agree to any modification of them. M. Laval was pressed to do nothing which might exacerbate the situation, and the Secretary of State had proposed one or two minor measures which might relieve it, but he did not disclose their nature to me.

As regards debts and reparations both agreed that resumption of payments at the end of the moratorium year was out of the question, and that assistance to Germany was necessary. Perhaps neither would maintain that the Young plan was still alive, but both preferred that any action taken should be in the forms prescribed therein. It was made clear to M. Laval that if the initiative was in these forms, United States Government would be prepared to make its necessary contribution. Both side were agreed that action should be taken as soon as possible.

M. Laval told German Ambassador last night that when he returned to Paris he would consult his Cabinet, and if they agreed he would send to German Ambassador in Paris invitation
/to

to German Government to take action under the Young plan forthwith.

French attitude as regards unconditional annuities is unchanged, and is covered in a reservation contained in communique.

As regards gold, it was agreed not only that both parties would (? group omitted) gold standard, but that they should afford any possible assistance to other Governments who might wish to return to it. A sentence to this effect was in the original draft communique, but was cut out as it might be regarded as tactless.

Secretary of State told me that establishment of personal contact had been very satisfactory in all respects, and that the French Prime Minister had created a most favourable impression. But, in reply to a question by me, he added that President had been made very impatient, especially by French attitude on disarmament.

SECRET

(1)

AS THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST
BE PARAPHRASED IF QUOTED IN ANY WAY.

From Secretary of State for Foreign Affairs (at Geneva) to
the British Ambassador at Washington, dated 17.10.31.

I think it may be useful for you to have some appreciation of the situation as I find it here as a result of contact with the representatives of the Powers assembled to consider the China-Japanese dispute.

I find an atmosphere of hopeful anticipation that some exit may be on the way to being found from the (? difficulties) with which the nations of the continent are universally afflicted.

There can be no question that this renewed spirit of hope is due in the main to anticipations aroused by the prospective meeting between President Hoover and M. Laval. All attention, whether in Germany or elsewhere, is concentrated on Washington, and it is not too much to say that on the issue of the conversations between the French and United States statesmen will depend whether Europe is again to be plunged into a state of dependency which will seriously aggravate conditions in every direction, or whether Europe, being given some lead, will once again set herself to work to restore some measure of stabilisation.

I explained to you that my policy was to await the result of the discussion between the President and M. Laval. That is an attitude to which I wish to adhere for the time being as best calculated to advance the policy which I have in view. At the same time I would wish you to realise that all that in my view and from my observations I think I should be right in saying, in view of opinion generally on the Continent, now depends on what the President and M. Laval may be able to announce as a result of their exchange of views, and I would hope that without any appearance of intervention you will lose no opportunity of emphasising the situation as I see it, so that neither the Americans nor the French may be under any illusion as to their responsibilities. It is of the utmost importance that they should be able to indicate not only that they are willing to co-operate in finding a solution, but have some programme in view whereby that solution can be achieved.

If such is the result of the meeting in Washington it is unnecessary to say that I shall be ready to co-operate to the maximum of my ability to ensure the realisation of the common aim.

3 DEC 1931

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(2)

AS THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST BE PARAPHRASED
IF QUOTED IN ANY WAY.

From the British Ambassador at Washington to the Secretary
of State for Foreign Affairs, dated 20.10.31.

Referring to visit of French Premier, Secretary of State said to me today that you would be familiar with the friendly attitude which the present Administration had pursued towards His Majesty's Government, and that you might feel assured that nothing would eventuate from the forthcoming discussions which would be out of harmony with that policy.

I expressed thanks and said that meeting was looked forward to with anxious hope in London, not that any outcome contrary to British interests was feared, but that success was felt to be a matter of such immense importance. The French attitude on all major questions of reparations, debts, disarmament and security were a matter of public notoriety, and it was to be anticipated that they would all be stated here pretty categorically. It was earnestly hoped in London that the French Prime Minister would not return with any feeling of having been rebuffed. Secretary of State said that the difficulty here was the very strong anti-French feeling prevalent in America, but that he himself intended to use his own influence to keep everything as friendly as possible. He said United States Government was ready to facilitate discussions on the widest basis, but implied that he did not expect them to result in any large measure of agreement.

SECRET

(3)

AS THE SUBJOINED IS A COPY OF A SECRET TELEGRAM IT MUST
BE PARAPHRASED IF QUOTED IN ANY WAY.

Telegram from the British Ambassador at Paris to the
British Ambassador at Washington, dated 21.10.31.

Lord Reading's telegram No. 4 of 17th October tempts me to let you have, for what it may be worth, my appreciation of M. Laval's attitude on the occasion of his visit to Washington.

2. He is coming out sincerely desirous of putting his visit to the best use not only for France but for Europe. Apart from the vital matter of Franco-American co-operation to meet the financial crisis, he wishes to discuss three important questions.

3. He believes bolshevism to constitute a menace to our civilisation unless the present chaotic state of international production and marketing (industrial and agricultural) is remedied. This conviction is the basis of his policy towards Germany. One outcome of it is the establishment of the Franco-German Committee, the task of which is to organise the industrial production and marketing of the two countries as a first step towards the essential co-ordination of the economic activity of Europe as a whole. Another manifestation of this conviction is his desire to turn Germany from Russia which has, I understand, already met with some response in Berlin.

4. M. Laval admits privately that debts and reparations, with the exception of the unconditional annuity, are things of the past, which may be useful assets in a negotiation, but the payment of which is no longer practical politics. He would prefer to further moratoria some alternative tending towards finality for Europe and America. Though unable to relinquish the unconditional annuity, he would take it in kind instead of in cash.

5. He cannot forget the security of France, which alone can enable him to reduce armaments. For this purpose he has been advised to ask Hoover for an American contribution in the shape of a consultative pact on the lines of the Pacific Pact and an implementing of the Kellogg Pact by a modification of the American attitude towards neutrals in war; in other words, he will suggest that America should allow us not only to shout "stop, thief!" but also to catch him. He favours budgetary reductions of military expenditure as the most practical way of obtaining reduction of armaments.

6. It is important that the United States should realise his parliamentary position, which is by no means secure, and of the difficulty, of which he is thoroughly aware. His Government can be upset by a change-over of 30 votes in the Chamber; and he had to reckon with the jealousy of some of his colleagues, who put him in office as a caretaker and do not relish his success in implanting himself so strongly in the estimation of the public.

7. For these reasons he is unable to and is determined /not

not to enter into any binding engagements at Washington, though he is perfectly willing to work out the lines on which Franco-American co-operation should run. He wishes to return and to be able to say to his colleagues and to the Chamber that their hands are free, but that if they desire to secure American co-operation in the rebuilding of Europe, and in conformity with the due safeguarding of French vital interests, he has discussed the conditions on which it can be obtained. Any reluctance therefore on his part to enter into binding engagements at Washington will be due to reasons of internal policy, and every allowance should be made under this head if success of the visit be desired at your end.

8. As French opinion feels that the two countries must pull together as the only possible saviours of the gold standard and, by implication, of the franc, there is a general and genuine desire here for co-operation with America. Nobody shares this feeling more than M. Laval himself provided there is in the United States proper appreciation of French requirements as regards security. The whole outlook of French policy since 1919 has been deeply influenced, if not determined, by the failure of the United States Government to implement the undertaking given by the United States President to come into the guarantee treaty. It must be remembered, too, that French opinion was much irritated by the Hoover action in June, taken without prior consultation with the Power who was chiefly interested. It is worth adding that the economic interests of the United States in Europe have enormously developed during the last twelve years. Their European investments have in this period risen from 10 to about 125 milliards of francs.

9. M. Laval, who is temperamentally inclined to frank discussion without preconceived ideas or prejudices, has been strongly urged to lay all his own cards on the table from the start, and to invite corresponding frankness from the American side.

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WAR DEBTS

French and U.S.A Attitudes

The French Premier arrived in the U.S.A. on 22nd October. His visit was contemporaneous with a strong statement by Mr. Borah, the Chairman of the Foreign Relations Committee of the Senate, that revision of the Treaty of Versailles was essential to the preservation of peace and the restoration of prosperity. Besides conversations with President Hoover and Secretary of State Stimson, M. Laval saw Mr. Borah and attempted to persuade him that France could not discuss the possibility of Treaty changes.

The reported result of the conversations with the President and Secretary of State constitute an arrangement for close collaboration between the two countries with regard to finance and war debts. In particular, the President, it is reported, undertook not to make any proposal for the extension of the period of postponement of debt payment without prior consultation with France. The French Premier has apparently recognised the necessity for a reconsideration at an early date of the Reparation problem.

Whilst Mr. Borah is urging Treaty revision in U.S.A., Mussolini has again declared for Treaty revision in a speech at Naples.

30th October, 1931.

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British Library of Information,
New York.

File No. 2673 (7)

4th September, 1930.

Hearst.

Dear News Department,

It is appropriate to begin this letter with a reference to Mr. Hearst, who has attracted attention in two ways this last week. The statement which he made at Frankfurt in favour of national self-determination for minorities has been printed in bold type in his own newspapers, and though the Library has not seen them, was presumably reported in full in the press which reaches the German element in the Middle West. Mr Hearst's expulsion from France on September 2nd had all the excitement of being unexpected, and received much attention not only in his own papers but in the American press generally. The press in general, however, so far as the Library has been able to observe, has been very reluctant to treat the matter editorially. Whilst enquiries made at the State Department have elicited the information that Mr. Hearst has not complained officially to his government. The prominence which has been given in the New York Times, the Herald Tribune, and New York World is interesting inasmuch as these papers normally studiously avoid any notice of Mr. Hearst. He is intensely unpopular in New York, where the majority of people whose views have so far been heard in private conversation have been rather agreeably amused by the French Government's action. The day after the news was received saw New York decorated with French flags in a manner reminiscent of the days immediately after the war, owing, it must be stated, to the arrival of the French airplane.

USA France

There has been an attempt by the Hearst press to contrast his friendly reception in England with the "narrow-minded" policy of the French Government, and quotations from the Daily Express have been cabled over and printed in huge type to the same effect. It may be mentioned in this connection that the declining enthusiasm for France in the United States which seems to have been a post-war development, may quite possibly be increased by the influence of the Hearst press in the near future, but it must be remembered that anything he is likely to say will be to some extent discounted now owing to the personal motive which will be obvious to all.

Peru and Argentina.

Revolution in Peru and the threat of a revolt in Argentina played an important role in the news despatches for some days. It was noted with pained surprise that Senor Leguia was a friend and admirer of the United States, whilst the attitude of Colonel Cerro is not likely to be so friendly. A tone of sympathy for Leguia has run through the reports of the situation. There has been none for Cerro.

23 OCT 1930

2

France & USA

MISCELLANEOUS FOREIGN QUESTIONS

Pertinax in the "Echo de Paris" writes that the relations of Indo-China - whose new Governor-General, M. Pasquier, was received yesterday by M. Briand - with her neighbours are becoming constantly more complicated, and it is only right that she should look after her special interests by having her own diplomacy, "just as India is free to move within the limits laid down by the F.O.". The Quai d'Orsay has already recognised this necessity, since one of its officials is permanently seconded on the Governor-General's Staff. China is the country which most frequently calls for his attention. The U.S.A. also, on the strength of a promise which the French Government gave to Mr. Wilson during the Peace Conference, deny France's right to circumscribe the activities of American missionaries and the Y.M.C.A. in the Colony. Pertinax describes them as "redoubtable propagandists, who, even more than the Bolsheviks, have turned China upside down", and he suggests that promises made to Mr. Wilson fell to the ground when the American Senate rejected the Versailles Treaty.

CHARLES MENDEL.

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/ 16

FRANCE.

RELATIONS WITH U.S.A.

Despatch from Paris 28.9.27 reference
the visit of the American Legion and, on page 3 its
effect on Franco-American relations.

FRANCE

Religious with USA

NORTH AMERICA.

[September 29, 1927.]

CONFIDENTIAL.

SECTION 1.

[A 5719/610/45]

No. 1.

The Marquess of Crewe to Sir Austen Chamberlain.—(Received September 29.)

(No. 2019.)

Sir,

Paris, September 28, 1927.

WITH reference to my despatches Nos. 1860 and 1945 of the 1st and 12th September, I have the honour to inform you that the official visit to France of the American War Veterans' Association—the American Legion—came to an end on the 24th September with the departure for the Riviera and Italy of its Commandant "National Commander" Savage. The legionaries are now either returning to the United States or separating to visit Great Britain and other European countries.

2. The so-called "General Staff" of the Legion was officially received at Cherbourg on the 16th September on landing from the steamship "Leviathan." It was headed by Mr. Savage, General Pershing and Mrs. Macaulay, the president of the Women's Auxiliary Legion. It proceeded at once to Paris where it was officially received on the afternoon of the 16th September at the Invalides Station by M. Painlevé and M. Marin, the Ministers for War and Pensions, representing the French Government. The Prefects of Police and of the Seine, Marshal Pétain and General Gouraud, the Military Governor of Paris, were also present. M. Painlevé made at the station the first of a long series of speeches, which members of the French Government delivered throughout the visit. In these speeches the circumstances of the entry of the United States into the war, and the prowess of the United States armies on the battlefields, were recalled in every detail. The name of Lafayette was invoked perpetually.

3. On leaving the Invalides Station the first of the official ceremonies took place at the tomb of the Unknown Soldier beneath the Arc de Triomphe. On the 17th September there was a religious service at the American War Cemetery at Suresnes. Marshal Foch was present. On the same day M. Gabriel Hanotaux, the former Minister for Foreign Affairs and historian, entrusted to Mr. Savage the keys of the "Maison France-Amérique" in the Avenue Victor-Emmanuel III, which the French Government had leased as the headquarters of the Legion during its visit. On the evening of the 17th September, Mr. Savage delivered a wireless message to the French people from the Eiffel Tower.

4. Sunday, the 18th September, was made the occasion of official services for the Legion in the chief Jewish and Presbyterian churches in Paris. There was also a service at Notre Dame at which the Chaplain of the Legion preached the sermon in English. He was thanked by Cardinal Dubois, the Archbishop of Paris, whose remarks were translated by an official interpreter. In the evening the French Government gave a banquet of 560 covers at the Palais d'Orsay Hotel. M. Poincaré was present with M. Doumer, the President of the Senate, and four other Ministers. Marshal Foch, Marshal Franchet d'Espèrey, as well as a number of important civil and military personages, also attended. M. Poincaré made a speech.

5. On Monday, the 19th September, a national holiday had been declared by the Government. The ninth annual convention of the Legion was opened in the Trocadero by M. Doumergue, the President of the Republic. M. Doumer, the President of the Senate, and M. Marin, representing the French Government, were present, and M. Marin made a speech. A message from the President of the United States was read to the convention, in which Mr. Coolidge begged the legionaries to "develop yet further the cordial relations which exist between our two countries, between our two republics, so strongly attached as they both are to the sacred principles for which they fought and which they will always cherish." In the afternoon the legionaries, accompanied by a large number of their female compatriots, assembled in the neighbourhood of the Place d'Iéna and marched down the Avenue d'Iéna to the Arc de Triomphe, headed by a detachment of the Republican Guard. The "parade," the male members of which were dressed in mock military costume, and whose female members included a replica of the "Statue of Liberty" on foot, is said to have been some 30,000 strong. From the Arc de Triomphe it proceeded down the Champs Elysées, and, in the Place de la

[237 ff—1]

Concorde, passed before the representatives of the Government, with whom Mr. Savage, General Pershing and Marshal Foch took up their position. It was also welcomed in the Place by two young ladies in Alsatian costume, who issued from the cellar below the Statue of the City of Strasbourg and presented Mr. Savage with a wreath. From the Place de la Concorde the "parade" passed up the Rue Royale, down the boulevards as far as the Place de l'Opéra, down the Avenue de l'Opéra and along the Rue de Rivoli as far as the Hôtel de Ville. In the square in front of Notre Dame it dispersed. The whole route was lavishly decorated with French and American flags and festoons of coloured lights which were illuminated at night.

6. On the evening of the 19th September the French organisation of "Anciens Combattants" gave a banquet of 4,200 covers at the Invalides. M. Tardieu spoke. On the 20th September a visit was paid to the tomb of Lafayette. An official visit was also paid to the Elysée. In the evening Mr. Savage gave a banquet to the President of the Republic at the Hôtel Continental.

7. Verdun was visited on the 21st September and St. Mihiel on the 22nd September. M. Poincaré spoke at both places. On the evening of the 22nd September there was a reception at the Hôtel de Ville and a ball at the Opera.

8. On the 23rd September a visit was paid to M. Clemenceau in Paris. There was an aerial display at Le Bourget and a night fête at Versailles, which was spoilt by the rain. On the 24th September different deputations of the Legion visited Belfort, where M. Poincaré spoke, and Fontainebleau, where there was a pageant. The official visit came to an end on that day.

9. Of the speeches delivered, certain passages in those of M. Poincaré alone require special mention. Speaking at the Palais d'Orsay Hotel on the 18th September, after referring to the circumstances of the entry of the United States into the war, M. Poincaré said that, "if we wish to protect history against falsification, it is not for the purpose of fostering the hatreds which the war aroused and the complete disappearance of which is our desire. On the 27th June, 1919, when I received President Wilson on the eve of his departure from France, I told him that a real peace would only issue from a long-continued co-operative work, and I added: 'We shall not forget that, after shedding so much blood and seeing such great destruction, we joined the efforts of our two countries in order to try to secure an equitable statute for torn humanity and to raise a lasting monument to universal peace.' President Wilson replied: 'The evil done by the war has been very great, but it has awoken the world to a great moral necessity—that of the completion of the union necessary to men in order that a similar evil may never again take place.' Let us work, then, with one heart at this continuous creation. Let us co-operate in the establishment of this necessary union. Let us not be discouraged by the difficulties of our task nor by the injustice of certain prejudices nor by the intermittent return of evil passions. If we only desire it strongly enough, wisdom and reason will certainly triumph." At Belfort, on the 24th September, M. Poincaré said: "Three times in less than sixty years France was obliged to contend with foreign invasion, and less than half a century afterwards she had again to undergo the same trial. How happy is America, which has no such dangers to fear and which two oceans, the vastness of her territory and the size of her population shelter from armed attack. Passionately attached as we are to peace, closely as we wish to maintain it, we are never certain of being able to do so because in Europe peace depends much more on other nations than on ourselves. We are well aware that, if mistrust is the mother of security, too much mutual distrust may end by provoking wars instead of by preventing them. It is in order not to run this risk that, whilst we regret the absence of the United States from the League of Nations, we mean to count on that organisation little by little to bring the peoples together, to destroy mutual fears, and in certain cases to teach wisdom to Governments. But however useful and however necessary these attempts at co-operation may be, they cannot at present bring us complete security. We, then, are still obliged to consider if not as probable, at least as possible, events which might one day compel us to protect ourselves or our friends. For the moment we cannot do without fortresses and soldiers to defend them. That is the lesson which a visit to Belfort teaches. It is one in no way incompatible with a strong devotion to peace. Belfort is a peaceful town which has never sought to do harm to anyone. Belfort has confined herself to repelling attack. The intentions of France herself are the same. France desires nothing so much as to see dawn the day when some Bartholdi of the future will no more portray this inviolate city in the guise of the warrior and her fortress in the aspect of a majestic lion, but the one in the guise of peasant or artisan and the other in the reassuring form of a lamb."

10. It is a little difficult to giving such vast publicity to this scale have been organised. that allegations have been made in part paid out of American visit, a sum of 3,760,000 fr. w Sir Eric Phipps's despatch No such a display the French Govt the debts question. It is possible propaganda and the pressure of thinks the American part in the all her Allies.

11. I doubt if the man in celebrations. When they act represent a counter manifestation of Sacco and Vanzetti. This precautions taken by the Government of the 19th September and by the north of Paris to celebrate the Communist municipality the described as an excellent circus "que Paris a jamais vu." It evening illuminations were a national holiday. Many the manner of celebrating the dead.

12. As regards the ultim there is little to be said. The like what they consider to have that they understand her or the character of her policy on the nation which sees nothing incorrect attitude in a customs negotiations are enjoying her lavish and so that M. Tardieu, the Minister, his own words, to "mesurer l'importance la plus importante part in the celebration."

13. Representations have "parade" of the British Legion relations. The "Daily Mail" I have the honour to enclose a Abbot, the head of the Paris consider that, at any rate for by Colonel Abbot and Colonel C

10. It is a little difficult to understand the motives of the French Government in giving such vast publicity to the visit of the American Legion. No celebrations on this scale have been organised in Paris since the armistice, and it is not surprising that allegations have been made that the illuminations and festivities were at least in part paid out of American funds. In any case, to defray the expenses of the visit, a sum of 3,760,000 fr. was actually voted by the Chambers (see enclosure to Sir Eric Phipps's despatch No. 1846 of the 1st September). It is possible that by such a display the French Government still hopes to influence American opinion on the debts question. It is possible, also, that it was mainly influenced by newspaper propaganda and the pressure of American sympathisers. It is not probable that it thinks the American part in the war more glorious than that played by France or all her Allies.

11. I doubt if the man in the street ever really understood the meaning of the celebrations. When they actually took place, they had come to some extent to represent a counter manifestation to the August riots arising out of the execution of Sacco and Vanzetti. This aspect of the visit was emphasised by the elaborate precautions taken by the Government against a Communist attack on the procession of the 19th September and by the Communist meetings held on the same day in the north of Paris to celebrate the renaming of the "Place de Clichy" by the local Communist municipality the "Place Sacco et Vanzetti." The procession was described as an excellent circus and a splendid carnival, "le plus beau," said some, "que Paris a jamais vu." It certainly gave some of the onlookers pleasure, the evening illuminations were a success, and the day of the procession was above all a national holiday. Many thought the legionaries strange, but few found their manner of celebrating the dead ridiculous.

12. As regards the ultimate effect of the visit on Franco-American relations, there is little to be said. The French people like America at heart, as all people like what they consider to have been in part their own creation. It does not follow that they understand her or that they do not resent what they consider the grasping character of her policy on the question of war debts and the commercial mind of a nation which sees nothing incongruous in the adoption by its Government of a harsh attitude in a customs negotiation with France, at the very moment when its citizens are enjoying her lavish and so-called "spontaneous" hospitality. It is significant that M. Tardieu, the Minister who knows America best, and who is not afraid, in his own words, to "mesurer l'obstacle" between her and France, himself took the most prominent part in the celebrations.

13. Representations have been made to me in certain British quarters that a "parade" of the British Legion in Paris would have a good effect on Anglo-French relations. The "Daily Mail" is said, in particular, to be interested in the proposal. I have the honour to enclose a copy of a letter* which I have addressed to Colonel Abbot, the head of the Paris branch of the British Legion, on the subject. I consider that, at any rate for some time to come, any such visit as that proposed by Colonel Abbot and Colonel Crosfield, his chief, would unquestionably be a mistake.

I have, &c.
CREWE.

* Not printed.